

KAIKŌURA DISTRICT COUNCIL MEETING

| | |
|-----------------|--------------------------|
| Date: | Wednesday 26 July 2023 |
| Time | 9.00am |
| Location | Totara, Council Chambers |

AGENDA

1. Open with a Karakia

Kia wātea te Wairua, Kia wātea te tinana, Kia wātea te hinengaro, Kia wātea ai te mauri, Tuturu ōwhiti whakamaua kia tina, TINA!, Haumi e, Hui e, TAIKI E!

2. Apologies

3. Declarations of Interest

4. Public Forum

Public forums provide opportunity for members of the public to bring matters, not necessarily on the meeting's agenda, to the attention of the Council.

5. Formal Deputations

The purpose of a deputation is to enable a person, group or organisation to make a presentation to a meeting on a matter or matters covered by that meeting's Agenda.

6. Adjourn to Works & Services Committee meeting (9.30am)

Reconvene to the Council Meeting

7. Confirmation of Minutes:

7.1 Council meeting minutes dated 28 June 2023 page 3

8. Review of Action List

page 18

9. Matters of Importance to be raised as Urgent Business

10. Matters for Decision:

10.1 Statement of Proposal – Borrowing provision for Wakatu Quay page 19

10.2 Adoption of Plan Change 3 to the Kaikōura District Plan page 30

10.3 Discharge of the Kaikōura Community Services Committee page 33

11. Matters for Information:

11.1 Mayoral Verbal Update

11.2 Elected Member Verbal Updates

11.3 CEO Monthly Report page 39

11.4 Audit NZ Report to the Council on the audit for the years ended 30 June 2021 & 2022 page 72

11.5 Community Services Update Report page 113

11.6 Planning Update Report page 121

11.7 Building and Regulatory Update Report page 131

11.8 Destination Kaikoura Report (Jan-June 2023) page 134

12. Public Excluded Session

Moved, seconded that the public be excluded from the following parts of the proceedings of this meeting, namely

- a) Public excluded council meeting minutes dated 28 June 2023
- b) Harbour Financial Issues – verbal update
- c) KET Options Report
- d) CEO Performance Appraisal

The general subject matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1), 6 and 7 of the Local Government Information and Meetings Act 1987 for the passing of this resolution are as follows:

| General subject of each to be considered | Reason for excluding the public | Grounds of the Act under which this resolution is made |
|--|--|---|
| Public excluded council meeting minutes dated 28 June 2023 | The minutes are being tabled for confirmation and include commercially sensitive information on the harbour financial issues | Section (7)(b)(ii) would be likely unreasonable to prejudice the commercial position of the person who supplied or who is subject of the information Section (7)(h) enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities Section (7)(i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) |
| Harbour Financial Issues – verbal update | Verbal update on subject previously brought to Council around ongoing negotiations which is commercially sensitive | Section (7)(b)(ii) would be likely unreasonable to prejudice the commercial position of the person who supplied or who is subject of the information Section (7)(h) enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities Section (7)(i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) |
| KET Options Report | To consider options for the structure of the Kaikōura Enhancement Trust. | Section (7)(b)(ii) would be likely unreasonable to prejudice the commercial position of the person who supplied or who is subject of the information Section (7)(g) maintain legal professional privilege Section (7)(h) enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities Section (7)(i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) |
| CEO Performance Appraisal | To receive the outcome of the Chief Executive Performance appraisal for the year-end 30 June 2023 | Section (7)(2)(a) protect the privacy of natural persons, including that of deceased natural persons. Section 7(2)(i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). |

13. Close meeting with a Karakia

AUDIO RECORDINGS:

"Audio recordings will be made of this meeting for the purpose of assisting the minute taker to create accurate minutes. Audio recordings should not be taken of any confidential, public excluded or otherwise sensitive matters. The Chair of the meeting is responsible for indicating if/when recording should be stopped and restarted. While held, the audio recordings are subject to LGOIMA, they may be released in line with Councils LGOIMA processes and/or at the discretion of the meeting Chair. A copy of the guidelines and principals for the use of recordings is available on request"

**MINUTES OF THE KAIKŌURA DISTRICT COUNCIL MEETING HELD AT ON
WEDNESDAY 28 JUNE 2023 AT 9.01 AM, TOTARA, COUNCIL CHAMBERS,
96 WEST END, KAIKŌURA**

PRESENT: Mayor C Mackle (Chair), Deputy Mayor J Howden, Councillor V Gulleford, Councillor T Blunt, Councillor K Heays, Councillor J Diver, Councillor R Roche, Councillor L Bond

IN ATTENDANCE: W Doughty (Chief Executive), B Makin (Executive Officer)

1. KARAKIA

2. APOLOGIES Nil

3. DECLARATIONS OF INTEREST Nil

4. PUBLIC FORUM Nil

5. FORMAL DEPUTATIONS Nil

6. ADJOURN TO WORKS & SERVICES COMMITTEE MEETING

The meeting adjourned to the Works & Services Committee meeting at 9.02 am.

The meeting reconvened at 9.32 am.

7. MINUTES TO BE CONFIRMED

7.1 Council meeting minutes dated 31 May 2023

RESOLUTION

THAT the Council:

- *Confirms as a true and correct record, the circulated minutes of a Council meeting held on 31 May 2023.*

Moved: Councillor V Gulleford

Seconded: Councillor R Roche

CARRIED UNANIMOUSLY

8. REVIEW OF ACTION LIST

The Action List was reviewed and noted by the Council.

9. MATTERS OF IMPORTANCE TO BE RAISED AS URGENT BUSINESS Nil

10. MATTERS FOR DECISION

10.1 Adoption of the Annual Plan 2023/2024

Council staff noted that the Annual Plan was delivering Year 3 of the Long-Term Plan. The overall rates increase is 4.99%. There were some non-material changes to the Annual Plan tabled to the meeting that do not affect the overall rates, these were for figures for; the IAF development at Ocean Ridge, Mayors Taskforce for Jobs funding, Wakatu Quay (re-forecasting of capital expenditure) and the Airport relating to the sealing of access for a new hanger. Elected members thanked all those involved with the annual plan especially the finance team.

RESOLUTION

That the Council:

- a) This report be received
- b) The Annual Plan 2023/2024 be adopted

Moved: Councillor T Blunt
 Seconded: Councillor V Gulleford

CARRIED UNANIMOUSLY

10.2 Setting the rates for the Financial Year commencing 1 July 2023

It was noted that any changes to the rates would impact the Annual Plan that has been adopted under item 10.1.

RESOLUTION

That the Council:

- a) **Receives** this report, and
- b) **Sets the rates and charges as set out in Part 3 of this report** under the Local Government Act 2002 and the Local Government (Rating) Act 2002, on rating units in the Kaikōura District for the financial year commencing on 1 July 2023 and ending on 30 June 2024, and

| <i>General Rate: to fund the general operations of Council, including general management, community services, communications, strategy & policy, economic development, environmental planning, the net costs of statutory planning, building control, dog control, forestry, community facilities, general parks and reserves, the airport, and a portion of public toilets and traffic control.</i> | | | | |
|---|---------------------|--------------------------------------|--------------|--|
| <i>The general rate may also fund the same activities as the UAGC, because the UAGC lever provides for costs to be transferred to the general rate where necessary to remain under the 30% cap on rates set on a uniform basis, as required by the Local Government (Rating) Act 2002 (the Rating Act).</i> | | | | |
| Category | Differential | Factor | Rate | Amount required (including GST) |
| All rateable properties within the urban area, and all rateable properties classified as utilities | 1:1 | per dollar of rateable capital value | \$0.00129623 | \$1,486,162 |
| All rateable properties outside the urban area, except for properties classified as utilities | 0.9:1 | per dollar of rateable capital value | \$0.00116661 | \$1,263,446 |
| Total | | | | \$2,749,608 |
| <i>Uniform Annual General Charge: to fund the general operations of Council, including landfill and recycling operations, governance, library services, sports fields, playgrounds, cemetery, walkways, public halls, swimming pool, general environmental health and emergency management.</i> | | | | |
| <i>The Council uses a UAGC lever to transfer costs to or from the general rate where necessary to remain under the 30% cap required by the Rating Act.</i> | | | | |

| Category | Differential | Factor | Rate | Amount required (including GST) |
|--|--------------|---|----------|---------------------------------|
| All rateable properties within the Kaikōura district | None | Fixed amount per separately used or inhabited part of a rating unit | \$663.93 | \$2,032,284 |

Targeted Rates

The earthquake levy, roading rate, district planning rate, and civic centre charge (as below), apply to all properties within the Kaikōura district. They are separate targeted rates for the purposes of transparency and accountability, rather than for the purpose of targeting certain categories of land.

Earthquake Levy: to fund the net costs of earthquake response and rebuilding, including loan servicing costs relating to earthquake work (most notably roading) and, once those costs are covered, to build resilience reserves which can be used for current and future emergency event response and rebuilding.

| Category | Differential | Factor | Rate | Amount required (including GST) |
|--|--------------|---|---------|---------------------------------|
| All rateable properties within the Kaikōura district | None | Fixed amount per separately used or inhabited part of a rating unit | \$40.00 | \$122,440 |

Roading Rate: to fund the net costs of upgrading and maintenance of the district bridges and roading network

| Category | Differential | Factor | Rate | Amount required (including GST) |
|--|--------------|--------------------------------------|--------------|---------------------------------|
| All rateable properties within the Kaikōura district | None | per dollar of rateable capital value | \$0.00053026 | \$1,182,246 |

District Planning Rate: to fund the net costs of district planning, including development of the Kaikōura District Plan.

| Category | Differential | Factor | Rate | Amount required (including GST) |
|--|--------------|--------------------------------------|--------------|---------------------------------|
| All rateable properties within the Kaikōura district | None | per dollar of rateable capital value | \$0.00010418 | \$232,265 |

Civic Centre charge: to fund the net costs (after lease revenues) of the museum, library and Council office building.

| Category | Differential | Factor | Rate | Amount required (including GST) |
|--|--------------|-----------------------------|----------|---------------------------------|
| All rateable properties within the Kaikōura district | None | Fixed amount per separately | \$168.28 | \$515,118 |

| | | | | |
|--|--|---|--|--|
| | | used or inhabited part of a rating unit | | |
|--|--|---|--|--|

Rates on the following pages are targeted rates for specific categories of land and apply to specific services.

Kaikōura Water Annual Charge: to fund the costs of the supply, treatment, upgrading and maintenance of the Kaikōura water supply, including the Suburban water scheme, as well as to partially subsidise the net costs of the Ocean Ridge, East Coast, Fernleigh, Peketa and Oaro water supplies.

| Category | Differential | Factor | Rate | Amount required (including GST) |
|---|--------------|---|----------|---------------------------------|
| All rateable properties connected to the Kaikōura water supply. | Full charge | Fixed amount per separately used or inhabited part of a rating unit | \$478.37 | \$896,471 |
| All rateable properties situated within 100 metres of any part of the Kaikōura water supply, but not connected to the supply. | Half charge | Fixed amount per separately used or inhabited part of a rating unit | \$239.19 | \$26,550 |
| Total | | | | \$923,021 |

Suburban Water Charge: to contribute to the cost of the supply, treatment, upgrading and maintenance of the Kaikōura water supply.

| Category | Differential | Factor | Rate | Amount required (including GST) |
|--|--------------|--|----------|---------------------------------|
| All rateable properties situated within the Suburban water area and connected to the Kaikōura water supply. The Suburban water area is from the Waimangarara water intake and the Kaikōura flats area including properties on Postmans Road, McInnes Road, Brunells Road, Schrodgers Road, Mt Fyffe Road, Schoolhouse Road and Red Swamp Road north of Postmans Road. Properties in this area have a different type of connection to the Kaikōura water supply in that Suburban water connections are supplied in water units regulated by a restrictor. | None | Fixed amount per water unit (1,000 litres) | \$478.37 | \$23,440 |

Note that, for the Kaikōura water supply and the Suburban water area, certain properties are “extraordinary consumers”, such as commercial and accommodation premises, properties with a swimming pool, or rural properties using water for irrigation, for example. These properties are metered, and water meter charges apply in addition to the applicable rates above.

Ocean Ridge Water Annual Charge: to fund the costs of the supply, treatment, and maintenance of the Ocean Ridge water supply.

| Category | Differential | Factor | Rate | Amount required (including GST) |
|--|--------------|---|----------|---------------------------------|
| All rateable properties connected to the Ocean Ridge water supply. | Full charge | Fixed amount per separately used or inhabited part of a rating unit | \$478.37 | \$32,051 |
| All rateable properties situated within 100 metres of any part of the Ocean Ridge water supply, but not connected to the supply. | Half charge | Fixed amount per separately used or inhabited part of a rating unit | \$239.19 | \$19,852 |
| Total | | | | \$51,903 |

East Coast Rural Water Charges to fund the supply, treatment, upgrading, and maintenance of the East Coast Rural Water supply.

| Category | Differential | Factor | Rate | Amount required (including GST) |
|---|--------------|--|----------|---------------------------------|
| All rateable properties connected to the East Coast rural water supply and outside the Clarence Village area. | 1:1 | Fixed amount per water unit (1,800 litres) | \$690.00 | \$88,320 |
| All rateable properties situated within the Clarence Village area, being that area from the East Coast water intake near the Clarence River to where the main rail line runs adjacent to State Highway One and incorporating all properties to the South of Clarence Valley Road and State Highway One to the Clarence River or the main rail line as applicable. | 0.69:1 | Fixed amount per water unit (1,800 litres) | \$478.37 | \$7,176 |
| Total | | | | \$95,496 |

A differential applies as to whether a property is connected to the Clarence Village (treated) supply or not. The rural differential is 1:1 due to the large pipe network and booster pumps required to supply water over the rural area. The village differential is 0.69:1 because (for economic reasons¹), these properties are part of the Kaikōura Water Cohort and are partially subsidised by the Kaikōura water supply.

Other Rural Water Charges to fund the supply, treatment, upgrading, and maintenance of the following water supply areas.

¹ There are only 15 households within the Clarence Village area, with the water being primarily used for drinking, cooking and domestic purposes (as opposed to the rural area where the water is primarily used for stock and irrigation). The cost of treating water to ensure it meets drinking water standards would make the cost per unit inequitable – and likely unaffordable – for those households.

| Rate and Category | Factor | Rate | Amount required (including GST) |
|--|--|----------|---------------------------------|
| Kincaid Rural Water Charge: all rateable properties connected to the Kincaid rural water supply. | per water unit (1,000 litres per day) | \$158.29 | \$101,620 |
| Oaro Rural Water Charge: all rateable properties connected to the Oaro rural water supply. | per separately used or inhabited part of a rating unit | \$478.37 | \$34,443 |
| Peketa Rural Water Charge: all rateable properties connected to the Peketa rural water supply. | per separately used or inhabited part of a rating unit | \$478.37 | \$9,089 |
| Fernleigh Rural Water Charge: all rateable properties connected to the Fernleigh rural water supply | per water unit (1,000 litres per day) | \$558.47 | \$175,917 |

A “water unit” refers to a certain water connection, generally a rural water connection, that restricts the quantity of water supplied to a property, to the quantity of litres per day as specified.

Stormwater Rate: to fund the costs of stormwater disposal, loan servicing, upgrading and maintenance of the Kaikōura Stormwater scheme.

| Category | Differential | Factor | Rate | Amount required (including GST) |
|---|--------------|--------------------------------------|--------------|---------------------------------|
| All rateable properties within the Kaikōura urban area. | None | per dollar of rateable capital value | \$0.00005386 | \$58,312 |

Sewerage Charge: to fund the costs of sewage disposal, treatment, upgrading and maintenance of the Kaikōura sewerage (wastewater) system.

| Category | Differential | Factor | Rate | Amount required (including GST) |
|--|--------------|--|----------|---------------------------------|
| Sewerage Charge: All rateable properties within the area serviced by the Kaikōura sewerage system. | Full charge | Fixed amount for the first water closet per separately used or inhabited part of a rating unit (plus a targeted rate for each additional water closet or urinal if applicable ² , please refer to the following pages). | \$369.52 | \$643,896 |
| Sewerage Additional Pan Charge: All rateable properties within the area serviced by the Kaikōura | Half charge | One full charge for the first water closet or urinal applies, then a | \$184.76 | \$4,619 |

² A rating unit used primarily as a residence for one household will not be treated as having more than one water closet or urinal.

| sewerage system, not being either commercial or self-contained and serviced (see definition on the following page). | | fixed amount for each water closet and urinal after the first, within each separately used or inhabited part of a rating unit where there are more than one water closet or urinal | | |
|--|---------------------|---|-------------|--|
| <i>Sewerage Charge (Continued): to fund the costs of sewage disposal, treatment, upgrading and maintenance of the Kaikōura sewerage (wastewater) system.</i> | | | | |
| Category | Differential | Factor | Rate | Amount required (including GST) |
| <u>Sewerage Half Charge (Available):</u> All rateable properties situated within 100 metres of any part of the Kaikōura sewerage system, but not connected to the system | Half charge | Fixed amount per separately used or inhabited part of a rating unit | \$184.76 | \$40,832 |
| <u>Sewerage Charge - Self-contained & Serviced:</u> All rateable properties within the area serviced by the Kaikōura sewerage system, and used principally for short term accommodation, but limited to those properties with motel-type units, including motels, motor lodges, motor inns, motel apartments, serviced apartments and serviced holiday cottages, each of which contain a private or ensuite bathroom, with bedding, linen and cooking facilities provided, and which are serviced daily | None | One full charge for the first water closet or urinal applies, then a fixed amount for each water closet and urinal after the first within each separately used or inhabited part of a rating unit where there are more than one water closet or urinal. | \$140.00 | \$51,380 |
| <u>Sewerage Charge - Commercial:</u> All rateable properties within the Kaikōura urban area used principally for commercial and/or industrial purposes; or used as a licensed premise under the Sale of Liquor Act 1989; or used for providing short term accommodation for commercial reward, but not including rateable properties defined as Self Contained and Serviced | None | One full charge for the first water closet or urinal applies, then a fixed amount for each water closet and urinal after the first within each separately used or inhabited part of a rating unit where there are more than one water closet or urinal | \$240.00 | \$65,520 |
| Total | | | | \$162,351 |

The Kerbside Recycling Charge pertains to whether a property has access to the kerbside recycling collection service. More properties may be charged the kerbside recycling charge if the service is extended over a wider area, or to more properties within the serviced area.

| <i>Kerbside Recycling Charge: to fund the costs of the weekly kerbside recycling collection service.</i> | | | | |
|--|--------------|---|----------|---------------------------------|
| Category | Differential | Factor | Rate | Amount required (including GST) |
| All rateable properties within the Kaikōura urban area, except for properties in the West End and properties defined as Commercial property. | None | Fixed amount per separately used or inhabited part of a rating unit | \$185.03 | \$308,636 |

Commercial Rates and Charges

Commercial businesses use, and contribute to the need for, certain services that a residential household or rural property does not. The commercial rate and accommodation sector charge ensure that these types of property contribute to the costs of activities and services that they benefit from.

| <i>Commercial Rate: to fund the net costs of tourism and economic development, the annual grant paid to the visitor centre, and a portion of traffic control, harbour facilities and public toilets.</i> | | |
|--|---|---------------------------------|
| Category | Rate | Amount required (including GST) |
| All rateable properties in the District; <ul style="list-style-type: none"> Used principally or exclusively for commercial and/or industrial purposes, (not being farmland as defined by Land Information NZ); or Used principally for visitor accommodation for commercial reward for <i>not less than five persons</i>, and for the avoidance of doubt, including any motel, hotel, motor lodge, bed and breakfast, hostel, or camping ground; or Used as licensed premises under the Sale of Liquor Act 1989. | \$0.00239489 per dollar of rateable capital value | \$481,445 |
| <i>Accommodation Sector Charge: to fund the net costs of tourism and economic development, the annual grant paid to the visitor centre, and a portion of traffic control, harbour facilities and public toilets.</i> | | |
| Category | Rate | Amount required (including GST) |
| All rateable properties providing accommodation for commercial reward, but not meeting the criteria of a commercial property, and for the avoidance of doubt, including any property providing short-term accommodation such as small bed & breakfasts, baches rented out as holiday homes, and other visitor accommodation such as Air B&B-style, but not including long-term rental accommodation. | \$400.00 per separately used or inhabited part of a rating unit | \$78,000 |

| <i>Public Rubbish Bin Charge: to fund the costs of providing a public rubbish bin collection service at various locations around the District.</i> | | |
|--|---|--|
| Category | Rate | Amount required (including GST) |
| All rateable properties in the District; <ul style="list-style-type: none"> Used principally or exclusively for commercial and/or industrial purposes, (not being farmland as defined by Land Information NZ); or Used principally for visitor accommodation for commercial reward for not less than five persons, and for the avoidance of doubt, including any motel, hotel, motor lodge, bed and breakfast, hostel, camping ground or “boarding house”; or Used as licensed premises under the Sale of Liquor Act 1989. | \$162.46 per separately used or inhabited part of a rating unit | \$38,017 |
| <i>Registered Premises Charge: to fund the net costs of liquor licensing, food and health safety inspections, and environmental health.</i> | | |
| Category | Rate | Amount required (including GST) |
| All rateable properties undertaking a licensed activity, such as premises where alcohol is sold or consumed, food premises, camping grounds, funeral directors or hairdressers. | \$347.43 per license (liquor licence or food premises licence) | \$41,170 |

Rating area differentials

The Schedule of Rates and Charges refers to properties within defined areas (urban, semi-rural and rural rating areas). Please refer to the definitions and map of rating areas in Part 3.1 of this report.

These rating areas apply differentials to acknowledge that it is the properties within the urban area that benefit most from urban-type services, properties on the outskirts of the township benefit to a lesser extent, and properties further away from the town benefit least of all. Utilities services are not subject to these rates because they cover a wide area and so it is impossible to determine which rating area they are situated in.

| <i>Harbour Rate: to fund 50% of the net costs of operating the harbour facilities, including South Bay and the North and Old Wharves, including loan servicing costs.</i> | | | | |
|--|---------------------|--------------------------------------|--------------|--|
| Category | Differential | Factor | Rate | Amount required (including GST) |
| All rateable properties within the urban area. | 1:1 | per dollar of rateable capital value | \$0.00004473 | \$51,285 |
| All rateable properties within the semi-rural area. | 0.5:1 | per dollar of rateable capital value | \$0.00002237 | \$12,654 |
| All rateable properties within the rural area. | 0.25:1 | per dollar of rateable capital value | \$0.00001118 | \$5,784 |
| Total | | | | \$69,723 |

Town Centre Rate: to fund the net costs of town centre maintenance, including cleaning and servicing the West End toilets, and the loan servicing costs of the West End upgrading loans.

| Category | Differential | Factor | Rate | Amount required (including GST) |
|---|--------------|--------------------------------------|--------------|---------------------------------|
| All rateable properties within the urban area. | 1:1 | per dollar of rateable capital value | \$0.00008497 | \$97,421 |
| All rateable properties within the semi-rural area. | 0.5:1 | per dollar of rateable capital value | \$0.00004249 | \$24,038 |
| All rateable properties within the rural area. | 0.25:1 | per dollar of rateable capital value | \$0.00002124 | \$10,987 |
| Total | | | | \$132,446 |

Footpath & Streetlight Rate: to fund the net costs of maintaining, upgrading and operating footpaths and streetlights, including electricity and loan servicing costs.

| Category | Differential | Factor | Rate | Amount required (including GST) |
|---|--------------|--------------------------------------|--------------|---------------------------------|
| All rateable properties within the urban area. | 1:1 | per dollar of rateable capital value | \$0.00023897 | \$273,991 |
| All rateable properties within the semi-rural area. | 0.5:1 | per dollar of rateable capital value | \$0.00011949 | \$67,604 |
| All rateable properties within the rural area. | 0.2:1 | per dollar of rateable capital value | \$0.00004779 | \$24,721 |
| Total | | | | \$366,316 |

Water Meter Charges

Extraordinary consumers, such as commercial properties and homes with swimming pools, and properties with more than one connection, have water meters attached to their property to measure water use. These water meters are read twice each year (in January and June), and the consumers are charged for the water they use. Charges are in addition to the water rates on the previous pages.

For water usage which exceeds 365m³ per annum, a charge of \$1.00 including GST per cubic meter applies. All properties with a meter will incur a twice-annual meter maintenance charge of \$25.00 (\$50.00 per year) to cover the costs of the meter as well as administration expenses.

- c) **Approves** the due dates for the payment of rates as:
 - 20 September 2023, for instalment 1 from 1 July 2023 to 30 September 2023, and
 - 20 December 2023, for instalment 2 from 1 October 2023 to 31 December 2023, and
 - 20 March 2024, for instalment 3 from 1 January 2024 to 31 March 2024, and
 - 20 June 2024, for instalment 4 from 1 April 2024 to 30 June 2024, and
- d) **Approves** the due dates for the payment of volumetric water meter charges as:
 - 20 August 2023, for water meter invoices covering the period January to June 2023, and
 - 20 February 2024, for water meter invoices covering the period July to December 2023, and
- e) **Approves** that a 10% penalty will be added to any portion of the rates instalment remaining unpaid after the relevant due date for payment. However, a penalty on the first instalment will be waived if

the total years rates are paid on or before 20 December (the due date for payment of instalment 2). An additional 10% penalty will be added to all previous year's rates unpaid as at 20 July and 20 January (up to 20% per annum in total). Penalties are applied no earlier than the next working day after the due date for payment, and as soon as practicable. Penalties do not apply to volumetric water meter charges.

Moved: Councillor L Bond
Seconded: Deputy Mayor J Howden

CARRIED UNANIMOUSLY

10.3 Schedule of Fees and Charges for the Financial Year commencing 1 July 2023

It was noted that the fees and charges forms part of the overall funding strategy. An assessment was undertaken to determine the increase for the Annual Plan and a fair split between users. The Rating Review looks at the funding strategy/how things are funded and will include a thorough review of all fees and charges.

RESOLUTION

That the Council:

- a) Receives this report, and*
- b) Adopts the Schedule of Fees and Charges as set out in Attachment A of this report to take effect on 1 July 2023.*

Moved: Councillor T Blunt
Seconded: Councillor L Bond

CARRIED UNANIMOUSLY

10.4 Killarney St. Parking, Sudima Bus Stop & Ludstone Footpath and parking rearrangement

The proposed changes to Ludstone Road, such as the angled parking and raised crossing by the school, should negate the dangerous parking and make it safer for children to cross. The High School is supportive of the proposed changes. The team have also engaged with Te Ha o Matauranga and the Bowls club with regard to the revised proposal. The mayor raised a query around the location of the proposed raised crossing and ensuring there was sufficient distance back from Churchill street for turning trucks. The roading team will confirm. **(ACTION)**

A query was raised if the resource consent conditions for the Sudima Bus Stop have been met and if the consent was for a drop off only, or a parking space for buses. It was agreed to adjourn the item to later in the meeting to allow Council staff to seek clarification (noting the Council are in a position to award a contract for works and preference would be to not delay they decision if possible).

The meeting adjourned for break at 10.00 am and reconvened at 10.17 am.
Councillor J Diver re-joined the meeting at 10.18 am.

11. MATTERS FOR INFORMATION

11.1 Mayoral Verbal Update

Mayor C Mackle and Will Doughty met with the Australian Delegation of Transport Ministers on 6th June, organised through the DIA. Mayor C Mackle read out the letter sent by the DIA as a thank you for the meeting. He noted that the Australian Delegation appreciated the opportunity to speak regarding the damage to infrastructure after the earthquake. They were impressed and moved by the resilience of the community.

Other highlights of the month were noted: A citizenship ceremony was held on 9th June for three people in the community; The Mayor visited the cadets and apprentices through the MTFJ that were building the accommodation kitset units; The Spatial Plan Hui held on 22 June with Iwi representatives from Mangamaunu Marae and Takahanga Marae went well; 38 of the 40 youth completed the CACTUS programme. The Mayor acknowledged the community involvement, sponsorship and businesses that were involved in the CACTUS programme.

RESOLUTION

That the Council receive the Mayor's verbal update.

Moved: Councillor T Blunt
Seconded: Councillor R Roche

CARRIED UNANIMOUSLY

The meeting moved back to Item 10.4 Killarney St. Parking, Sudima Bus Stop & Ludstone Footpath and parking rearrangement

10.4 Killarney St. Parking, Sudima Bus Stop & Ludstone Footpath and parking rearrangement

Council staff clarified that the Sudima Bus Stop is a loading and unloading zone for passengers. Buses will not be parked there all night and the parking prohibited sign will apply to all vehicles. There is an overflow carpark on Brighton Street for the Sudima. The drawing from the resource consent was passed around the Council table.

The Council were comfortable with the explanation. Council staff suggested an amendment to the recommendation '*noting the Sudima Bus Stop on Yarmouth Street is already approved by a resource consent*'.

RESOLUTION

That the Council:

- a) *Receives the report*
- b) *Indicates its approval for the proposed line marking works outlined in section 4 of this report.*

Moved: Councillor L Bond
Seconded: Councillor R Roche

MOTION LOST

An amended recommendation was put forward which included the Council staff's suggestion.

AMENDED RESOLUTION

That the Council:

- c) *Receives the report*
- d) *Indicates its approval for the proposed line marking works outlined in section 4 of this report, noting the Sudima Bus Stop on Yarmouth Street is already approved by a resource consent.*

Moved: Councillor R Roche
Seconded: Councillor T Blunt

CARRIED UNANIMOUSLY

11.2 Elected Member Verbal Updates

Councillor V Gulleford

A small number of District Licensing decisions have been received this month. One outcome of a recent decision from the Supreme Court likely to be included in an update to the Act is the need for greater public

involvement in hearings processes. They suggested proactive steps with consultation processes such as letter drops and providing the applications/guidelines to those that might be affected. This will be followed up in The Sale and Supply of Alcohol (Community Participation) Amendment Bill, which aims to improve communities' ability to influence alcohol regulation in their area. This comes into effect April 2024.

Councillor R Roche

Councillor R Roche will be meeting with S Haberstock, as Chair of the Community Services Committee to discuss the future of the committee. He has been encouraging the use of the CSR (Customer Service Request) system in the community.

Councillor L Bond

Noted that the Creative Communities hui will be rescheduled. The OpShop has recently supported a playground at the Barnardos Early Learning Centre Kaikōura and attended the opening. The OpShop are helping to fundraise for the multi-use facility at Takahanga Domain and are committed to ensuring the aquatic centre (and other supported projects) are maintained. The Mayor thanked Councillor L Bond on behalf of the Community Trust for her input.

Deputy Mayor J Howden

The next Finance Audit & Risk Committee meeting is in August for the quarter ended 30 June 2023.

Destination Kaikōura are meeting on Friday to make a decision on the i-Site and a report will follow to the Council in July/August.

Deputy Mayor J Howden met with a Lawyer on behalf of the Older Persons Working Group on options for an entity figure, such as establishing a Trust.

Councillor K Heays

The Footpath Working Group have met once during the month, and the Signs Bylaw Review Working Group have met twice. The meetings have been going well with good input from those who attend.

Councillor K Heays advised that he meets with Dave Clibbery, Senior Manager Operation each month before the Council meeting. To streamline the Works & Services Committee meeting, he asked for Elected Members to send him any queries for him to include in his discussions with Dave Clibbery.

The Mayoral Forum Environmental Champion meeting is scheduled for next month and Councillor K Heays will contact the Chief Executive to discuss what the focus should be.

Councillor T Blunt

A valuation of the Marlborough Regional Forestry has recently been undertaken. In 2017 the land was valued at \$13million, and now including the recent purchase of the Sunhill block (for \$1.4million) the land is now worth \$20million. Noting this is the land only and the trees are currently being valued. Councillor T Blunt has requested that all emails are copied to Sheryl Poulsen, Finance Manager. He commented that good financial information is received that should go to the Council.

RESOLUTION

THAT the Council receives the Elected Member's verbal updates.

Moved: Councillor R Roche

Seconded: Councillor L Bond

CARRIED UNANIMOUSLY

11.3 CEO Monthly Report

It was noted that Debbie Crawford, Communications Officer has resigned, and her last day is 21 July.

The Chief Executive is working with the Nature Photography Society and ECAN to install a memorial for the boating tragedy. Support has been received from Te Rūnanga o Kaikōura and DOC. KDC were congratulated for the recruitment of a cadet through the MTFJ and Clive Matthews' growth in achieving his building competency.

RESOLUTION

THAT the Council receives this report for information.

Moved: Councillor V Gulleford
Seconded: Deputy Mayor J Howden

CARRIED UNANIMOUSLY

11.4 Community Services Update Report

S Haberstock noted that this is Sean Madden's last week as the Employment Coordinator and wishes him well.

The results from the Older Persons Working Group survey were included on page 136 of the Agenda, noting the results include the public's suggestions on possible locations. S Haberstock acknowledged Deputy Mayor J Howden for the involvement with the working group and pursuing legal advice.

RESOLUTION

THAT the Council receives this report for information.

Moved: Councillor T Blunt
Seconded: Councillor V Gulleford

CARRIED UNANIMOUSLY

The meeting moved to 11.6 Planning Update Report.

11.6 Planning Update Report

It was noted that an action following the Spatial Plan Hui at Takahanga Marae was to include data overlay for cultural significant areas. This will be a big piece of work. The Planning Team are working through the legislative changes for the Spatial Planning Act and the Natural & Built Environment Act.

The timelines for the Signs Bylaw are on track for December and it was noted that any breaches are dealt with under the Bylaw as it currently stands.

RESOLUTION

THAT the Council receives this report for information.

Moved: Deputy Mayor J Howden
Seconded: Councillor V Gulleford

CARRIED UNANIMOUSLY

The meeting moved back to 11.5 Building and Regulatory Update Report.

11.5 Building and Regulatory Update Report

It was noted that the changes to the Freedom Camping Act have been released by MBIE, print outs of the changes were handed out. Direction from the Government is to continue educating campers and the Ambassadors are handing out details of the changes to campers. Wakatu Quay will be included on the CamperMate app as a prohibited site, and this would show how many visits the quay gets during the day.

A query was raised on how many new dwelling consent applications had been received. Council staff would clarify this (**ACTION**).

RESOLUTION

THAT the Council receives this report for information.

Moved: Councillor T Blunt
Seconded: Councillor R Roche

CARRIED UNANIMOUSLY

12. RESOLUTION TO MOVE INTO COUNCIL PUBLIC EXCLUDED SESSION

Moved, seconded that the public be excluded from the following parts of the proceedings of this meeting, namely

- a) Public excluded council meeting minutes dated 31 May 2023
- b) Harbour Financial Issues – verbal update

The general subject matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1), 6 and 7 of the Local Government Information and Meetings Act 1987 for the passing of this resolution are as follows:

| General subject of each to be considered | Reason for excluding the public | Grounds of the Act under which this resolution is made |
|---|--|---|
| Public excluded council meeting minutes dated 31 May 2023 | The minutes are being tabled for confirmation and include commercially sensitive information on the harbour financial issues and IWK three waters contract | Section (7)(b)(ii) would be likely unreasonable to prejudice the commercial position of the person who supplied or who is subject of the information Section (7)(h) enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities Section (7)(i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) |
| Harbour Financial Issues – verbal update | Verbal update on subject previously brought to Council around ongoing negotiations which is commercially sensitive | Section (7)(b)(ii) would be likely unreasonable to prejudice the commercial position of the person who supplied or who is subject of the information Section (7)(h) enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities Section (7)(i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) |

Moved: Councillor V Gulleford
Seconded: Councillor L Bond

CARRIED UNANIMOUSLY

The meeting moved into the Public Excluded Session at 11.14 am.
The meeting moved out of the Public Excluded Session at 11.33 am.

13. CLOSED OF MEETING

There being no further business, the meeting was declared closed at 11.33am.

Moved: Councillor L Bond
Seconded: Councillor T Blunt

CARRIED UNANIMOUSLY

CONFIRMED _____ Chairperson
Date

THIS RECORD WILL BE HELD IN ELECTRONIC FORM ONLY

**ACTIONS FROM COUNCIL MEETINGS
AS AT 20 JULY 2023**

| | ACTION ITEMS | ASSIGNED TO | DUE | STATUS |
|---|---|---------------------|--|--|
| 1 | <i>Carried Forward from previous Council:</i> Progress Reports: KORI, Kaikōura Cycling Club, Kaikōura Dark Sky Trust, Mayfair, Kaikōura Red Cross Branch | | July 2023 | |
| 2 | <i>Quarterly Progress Reports from 1-Jul</i> Mayfair, Lions Club, Takahanga Bowling Club, Te Ha, Miniature Rifle Club, Sports Tasman, Kaikōura Squash Club, A&P Association, Museum, Dark Sky Trust, Youth Council, Kaikōura Red Cross Branch | | October 2023 February 2024 April 2024 July 2024 | |
| 3 | Three hard copies of the rehoused District Plan were requested for elected members. | B Makin / M Hoggard | - | On hold – waiting on outcome of appeal, then will provide printed copies as requested. |
| 4 | Investigate joint harbour role – KDC/ECAN | W Doughty | Ongoing | |
| 5 | Signs Bylaw Review | D Clibbery | December 2023 lapses | In progress |
| 6 | The roading team to confirm that the location of the proposed raised crossing on Ludstone Rd ensures there is sufficient distance back from Churchill street for turning trucks | O Joensuu | July meeting | Emailed designers and waiting on response. |

CLOSED ITEMS

| | ACTION ITEMS | ASSIGNED TO | DUE | STATUS |
|--|-----------------------------------|--------------------|------------|---|
| | New dwelling consent applications | J York | July 2023 | Confirmed 18 new dwelling consent applications over the last 3 months |

| | | |
|---------------------------|---|--|
| Report to: | Council | |
| Date: | 26 July 2023 | |
| Subject: | Statement of Proposal – Borrowing provision for Wakatu Quay | |
| Prepared by: | C Sturgeon – KMDP | |
| Input sought from: | | |
| Authorised by: | W Doughty- Chief Executive Officer | |

1. PURPOSE

This report seeks the Council’s approval to confirm the commencement of public consultation for borrowing of \$800k towards the Wakatu Quay Project.

If agreed following the outcomes from the Special Consultation Process (SCP), the Council contribution to the Wakatu Quay project would be included in the 2024-25 LTP.

2. RECOMMENDATION

It is recommended that the Council:

- a) Receive this report
- b) Approves the commencement of a Special Consultation Process (SCP) from 28th July to gain feedback from the community of borrowing \$800k
- c) Notes the proposed programme for the SCP and dates for hearing submissions.

3. BACKGROUND & CONTEXT

Details on the background and context is included in the attached statement of proposal.

4. FURTHER INFORMATION

No additional information is pertinent at this time.

5. FINANCIAL IMPLICATIONS AND RISKS

5.1 Financial Implications

There are not currently any direct financial implications arising for the Council should it proceed with the SCP process.

There will be consequential implications as noted in the attached proposal depending on the outcome of the consultation process.

5.2 Risks

Should KDC decide not to proceed with the SCP process, KDC will be in breach of its agreement with Kanoa and risk that the contract is terminated.

6. RELEVANT LEGISLATION

6.1 Policy and Legislation

NIL (Refer Significance and Engagement Policy)

6.2 Delegations

The Council is required to make these decisions on potential long-term obligations concerning strategic assets.

7. SIGNIFICANCE AND ENGAGEMENT POLICY

The decision to contribute financially to the project is deemed significant under the Council's significance and engagement policy. Approval is requested to undertake consultation using the SCP process.

8. COMMUNITY OUTCOMES SUPPORTED



Community

We communicate, engage and inform our community



Development

We promote and support the development of our economy



Environment

We value and protect our environment



Future

We work with our community and our partners to create a better place for future generations

Kaikōura District Council

Statement of Proposal

Borrowing to meet financial obligations

1. Introduction

At its meeting of 31st May 2023 Kaikōura District Council resolved to consult with the community regarding the borrowing of funds to fulfil its contractual obligations with Ministry of Business and Innovation (MBIE) to provide a financial contribution toward the approved grant funding of \$10.18m for the Kaikōura Marine Development Programme (KMDP). If agreed this would then be included in the financials for the Long Term Plan for 2024 – 2034.

2. Background & Context

The Kaikōura District Council (KDC) was granted \$10.88 million from the National Provincial Growth Fund (PGF), now known as Kanoa, a Division of the Ministry of Business & Innovation (MBIE) to fund the Kaikōura Marine Develop Programme (KMDP), for the development of a key Kaikōura location at Wakatu Quay and the preparation of a business case for the replacement of the South Bay Harbour.

The South Bay Harbour business case has now been completed, leaving a total of \$10.18 million available for development of Council freehold land at Wakatu Quay.

The intended use of these remaining funds is to design and construct development infrastructure, complete site master planning, develop the landscape environment, and assist to construct facilities on the Wakatu Quay site.

The identification of a Wakatu Quay development opportunity originated as an outcome of the “Reimagine Kaikōura” work in 2018 where a number of activities were identified to stimulate economic growth and capability in the district. The development of Wakatu Quay will contribute to delivering the agreed objectives for the Kaikōura District including:

- Enhance economic development opportunities.
- Create sustainable jobs.
- Boost social inclusion and participation.
- Build resilient communities.

A condition of the agreement with Kanoa is that to fully access the funds for the development of Wakatu Quay, KDC must provide a financial contribution of \$1,070,000 towards it. KDC has already contributed \$270,000 towards this amount in 2019 for the demolition of the derelict buildings on the quay that were damaged in the 2016 earthquake. This leaves a remaining commitment of \$800,000 that needs to be found.

A further condition of the funding agreement with Kanoa is that KDC should seek additional external investment funding through the commercial sector in a private public partnership to increase the overall funding pool, and that any such private investment obtained would be counted as being part of the aforementioned required \$1,070,000 contribution from Council.

Council’s attempts to obtain such additional external investment have not yet been successful to date. A private investor initially expressed strong interest in making a very substantial investment but changing circumstance have recently caused this investor to withdraw.

With no other potential sources of external investment currently apparent, consideration now needs to be given to potential other ways forward for the project, with particular regard to how the remaining \$800,000 required contribution might be found.

Recent discussions by Council have concluded that the community should be formally consulted through the Special Consultative Procedure of the Local Government Act 2002 regarding the possibility that KDC could provide the required outstanding \$800,000 contribution through the borrowing of this amount. If agreed this would then be included in the financials for the Long Term Plan for 2024 – 2034.

3. Purpose of this Statement of Proposal

KDC must follow the Special Consultative Procedure contained in the Local Government Act for community consultation and its commitment to fund the remaining \$800,000 meeting its agreed MBIE obligations.

As part of the Special Consultative Procedure the Council must produce a Statement of Proposal, which contains a summary of information that is a fair representation of the major matters in the proposal and make it available to the community. This document is the Statement of Proposal. The information contained in this Statement of Proposal has been approved by Council for notification and consultation.

4. KDC Funding Contribution

Whilst the Wakatu Quay development is included within the KDC Long Term Plan (LTP), a financial contingent liability was previously not included as it was not anticipated to be required, because of the expectation of external private investment. The loan funded amount was therefore not provided for in the Long-Term Plan 2021-2031.

To include the potential for such a financial commitment prior to the 2024-34 LTP process engagement with the community is required and a special consultative procedure (SCP) must be run to gain community views. Doing so does not preclude the Council from signaling its commitment to MBIE for the Wakatu Quay Project or additionally continuing to seek external investors, but provides surety to MBIE and the community? of KDC's commitment to the project. It allows KDC to unlock the full remaining grant funding and for the project to continue to progress without delay.

As the development on Wakatu Quay is for the benefit of all the community, KDC wishes to seek feedback on its commitment to financially support the project in the process as outlined in Section 82A of the LGA 2002.

Excluding any potential third-party investment, the funding position is as follows:

| Funding | | |
|---------------------------------|--|----------------------|
| PGF Funding | | \$ 10,180,000 |
| Council Contribution 1 | | \$ 270,000 |
| Proposed Council Contribution 2 | | \$ 800,000 |
| | | \$ 11,250,000 |
| | | |
| Less spend to date (30/4/23) | | \$ 3,086,000 |
| Remaining Opportunity | | \$ 8,164,000 |

Commitment of the agreed remaining contribution of **\$800,000** together with maintaining delivery of agreed milestones and conditions will allow the continued access to a total

\$8,164,000 funded by MBIE. Less funds on hand the remaining monies available from the government grant is \$7.3 million as at the 30th April 2023.

Should a development partner be found that meets the conditions of the required contribution KDC can then choose to continue to contribute (subject to satisfactory completion of public consultation) or not.

5. Potential Discontinuation of the Wakatu Quay Project

The agreement with MBIE allows for KDC to terminate the agreement should it decide the project is no longer viable and should be abandoned. In presenting this statement of proposal it is appropriate to identify the implications of abandoning the Wakatu Quay development and not gaining access to the remaining grant funding.

Work onsite to date has been beneficial to Kaikōura including the demolition of old buildings, remediation of ground conditions, upgrade of the seawalls, improved electricity connections and pending removal of power poles through the undergrounding of powerlines. Resource consent is being actively pursued and anticipated to be granted in due course. An approved Resource Consent is useable into the future and the site has also been remediated of asbestos and other heavy metals during the early stages of demolition.

Should the project not progress, any future improvements and developments on site would need to be funded directly by the Kaikōura rate payer. No funding has been allowed for in budgets and the 2021-31 LTP. There are also implications from loss of future economic benefits that are yet to be calculated.

There are anticipated short- & long-term costs of abandoning the project and remediating the site for general use including, but not limited to:

| Wakatu Quay | Anticipated Costs | Length/Area | Cost |
|----------------------|---|-------------|---------------------|
| Pavement & Surfacing | Resurfacing with AP65 & AC15 | 4,000 | \$ 324,000 |
| Drainage | Simple Channel across site to sea | 157 | \$ 78,500 |
| Electrical | Common Services Trench for lighting & Elect | 208 | \$ 56,784 |
| Lighting | Basic Site lighting | 3 | \$ 60,000 |
| Landscaping | Coastal foreshore planting | 232 | \$ 29,928 |
| Seating & Furniture | Street Furniture | 6 | \$ 29,800 |
| Signage & Marking | Site signage & Misc | | \$ 61,600 |
| | | | \$ 640,612 |
| Road Upgrade | Additional Costs | | Cost |
| Road Repair | Single lane alteration, road marking | | \$ 565,000 |
| Repairs at Boat Ramp | | | \$ 30,000 |
| Total | | | \$ 1,235,612 |

6. Options

Three options have been identified to gain feedback from the community:

6.1. Option 1 – Preferred Option

- Council to make provision within the 2024-34 LTP to borrow \$800,000.

Doing so will enable the release of the remaining \$7.3m grant from MBIE and the completion of the first stage of the development. This includes a lease revenue generating building (restaurant) & community space that will offset loan costs.

6.2. Option 2

- Do not borrow \$800,000 for the project, as a result the Wakatu project ceases. Site cleanup & road upgrade of estimated \$1.2m to be funded from borrowing and repaid directly by the Kaikōura rate payer.

6.3. Option 3

- Do not borrow \$800k for the project, as a result the Wakatu project ceases. The Wakatu Quay Site remains exactly as current, cleanup is abandoned, funding not provided for in current budget or 2021-31 LTP. Road upgrade is still required at estimated \$565k to be funded by borrowing and repaid directly by the Kaikōura rate payer.

7. Financial Implications of each option

Financial analysis has been complete by the KDC finance team. Full details shown in appendix 1.

In considering the options above a financial review summary shows:

7.1. Option 1 – Preferred Option – Borrow \$800k and continue project

| Wakatu Quay - Loan | | Cost |
|---------------------------|--|------------|
| Loan Amount | | \$ 800,000 |
| Interest Rate | | 5.70% |
| Term | | 30 Years |
| Interest Y1 | | \$ 32,000 |
| Principle Y2 onwards | | \$ 14,116 |
| Total Servicing Per annum | | \$ 46,116 |

- Servicing revenue will be generated through the lease return on the first completed building on site.

7.2. Option 2 – Discontinue project and tidy site, borrow \$1.2mil

- Calculated as Operating cost due to nature of spend over shorter term

| Wakatu Quay - Loan | | Cost |
|---------------------------|--|--------------|
| Loan Amount | | \$ 1,200,000 |
| Interest Rate | | 5.70% |
| Term | | 15 Years |
| Interest Y1 | | \$ 48,000 |
| Principle Y2 onwards | | \$ 62,262 |
| Total Servicing Per annum | | \$ 110,262 |

7.3. Option 3 – Discontinue Project, borrow \$565k for road repair

- Calculated as Operating cost due to nature of spend over shorter term
- Road repair & alteration must still be completed and requires borrowing to complete

| Wakatu Quay -Roading Loan | | | Cost |
|---------------------------|--|--|------------|
| Loan Amount | | | \$ 565,000 |
| Interest Rate | | | 5.70% |
| Term | | | 15 Years |
| Interest Y1 | | | \$ 22,600 |
| Principle Y2 onwards | | | \$ 29,315 |
| Total Servicing Per annum | | | \$ 51,915 |

8. Community Engagement Process

A comprehensive process is planned to engage with and inform the community on the aforementioned options.

The consultation period will be for one month from 28th July to 28th August 2023.

During this time information about the proposal will be available from the KDC website, Facebook group, local newspaper, and at a static display set up in the iSite building.

A press release will signal the commencement of the consultation period.

Community members will be invited to attend community information sessions on the 9th & 16th August where time for questions and answers will follow a presentation by Council managers and elected members. The KMDP project team will provide assistance and resources as required.

The community will be invited to provide their feedback by completing a submission questionnaire to indicate their preferred option.

Community members who desire to speak at the review hearing will be sought throughout the process and speaking times scheduled ahead of the meeting.

An information booth will be established at the iSite from the 7th-25th August to enable any members of the community to drop in, ask questions, become better informed and give feedback on the proposal.

Submissions on this Proposal

Community engagement is proposed to occur upon approval of this proposal commencing on the 28th of July 2023 and running until the 28th August 2023

The online submission form will be available on the KDC Website and links to this will be provided on Facebook and by a distributed QR code.

Paper-based submission forms will be available at KDC reception.

Feedback is invited in respect of the proposed borrowing request, rather than the development itself of potential uses of the buildings and community space. Further engagement with the community is planned for their views on the development of the public realm & community spaces.

Submissions may be made in writing or by completing the online submission form, addressed to kdc@Kaikoura.govt.nz or

The Chief Executive, Kaikōura District Council

PO Box 6, KAIKŌURA 7300

and must be received by Council by 28 August 2023. Submitters should indicate on their submission if they wish to speak to it at a future hearing convened for that purpose.

Chief Executive Officer

Proposed Advertisement

Community consultation on borrowing provision for Wakatu Quay

The Kaikōura District Council (KDC) was granted \$10.88 million from the National Provincial Growth Fund (PGF), now known as Kanoa, a Division of the Ministry of Business & Innovation (MBIE) to fund the Kaikōura Marine Develop Programme (KMDP), for the development of a key Kaikōura location at Wakatu Quay and the preparation of a business case for the replacement of the South Bay Harbour.

The intended use of the funds is to design and construct development infrastructure, complete site master planning, develop the landscape environment, and assist to construct facilities on the Wakatu Quay site.

The identification of a Wakatu Quay development opportunity originated as an outcome of the “Reimagine Kaikōura” work in 2018 where a number of activities were identified to stimulate economic growth and capability in the district post the 2016 earthquake. The development of Wakatu Quay will contribute to delivering the agreed objectives for the Kaikōura District including:

- Enhance economic development opportunities.
- Create sustainable jobs.
- Boost social inclusion and participation.
- Build resilient communities.

A condition of the agreement with Kanoa is that to fully access the funds for the development of Wakatu Quay, KDC must provide a financial contribution of \$1,070,000 towards it. KDC has already contributed \$270,000 towards this amount in 2019 for the demolition of the derelict buildings on the quay that were damaged in the 2016 earthquake. This leaves a remaining commitment of \$800,000 that needs to be found should an external investor not able to be found.

Recent discussions by Council have concluded that the community should be formally consulted through the Special Consultative Procedure of the Local Government Act 2002 regarding the possibility that KDC could provide the required outstanding \$800,000 contribution through the borrowing of this amount.

Three options have been identified for consideration:

- **Option 1** - Council to make provision within the 2024-34 LTP to borrow \$800,000. Doing so will enable the release of the remaining \$7.3m grant from MBIE and the completion of the first stage of the development including a lease-revenue generating building & community space.
- **Option 2** - Do not borrow \$800,000 for the project, as a result the Wakatu project ceases. Site cleanup & road upgrade of estimated \$1.2m to be funded from borrowing and repaid directly by the Kaikōura rate payer.
- **Option 3** - Do not borrow \$800k for the project, as a result the Wakatu project ceases. The Wakatu Quay Site remains exactly as current, cleanup is abandoned, funding not provided for in current budget or 2021-31 LTP. Road upgrade is still required at estimated \$565k to be funded by borrowing and repaid directly by the Kaikōura rate payer

A more detailed Statement of Proposal is available upon request to the Council.

Feedback is invited in respect of the proposed borrowing request, rather than the development itself of potential uses of the buildings and community space. Further engagement with the community is planned for their views on the development of the public realm & community spaces.

Submissions may be made in writing or by completing the online submission form, addressed to kdc@Kaikōura.govt.nz or

The Chief Executive, Kaikōura District Council

PO Box 6, KAIKŌURA 7300

and must be received by Council by 28 August 2023. Submitters should indicate on their submission if they wish to speak to it at a future hearing convened for that purpose.

APPENDIX 1

Option 1 – Project continues. Borrow \$800k, 30 years 5.7%. Principle & Interest payments

| | 2021/2022 | 2022/2023 | 2023/2024 | 2024/2025 | 2025/2026 | 2026/2027 | 2027/2028 | 2028/2029 | 2029/2030 | 2030/2031 | 2031/2032 | 2032/2033 | 2033/2034 | 2034/2035 |
|------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Wakatu Quay - New Loan | 17 | 16 | 31 | 30 | 29 | 28 | 27 | 26 | 25 | 24 | 23 | 22 | 21 | 20 |
| Loan Balance at Start | 0 | 0 | 0 | 0 | 800,000 | 785,884 | 771,168 | 755,827 | 739,834 | 723,159 | 705,773 | 687,643 | 668,737 | 651,469 |
| Loan Maturing | 0 | 0 | 0 | 0 | 14,116 | 14,715 | 15,341 | 15,994 | 16,675 | 17,386 | 18,129 | 18,906 | 17,268 | 20,642 |
| Loan Raised | 0 | 0 | 0 | 800,000 | | | | | | | | | | |
| Loan Balance at End | 0 | 0 | 0 | 800,000 | 785,884 | 771,168 | 755,827 | 739,834 | 723,159 | 705,773 | 687,643 | 668,737 | 651,469 | 630,827 |
| Interest on Loan | 0 | 0 | 0 | 22,800 | 32,000 | 31,435 | 30,847 | 30,233 | 29,593 | 28,926 | 28,231 | 27,506 | 33,437 | 26,059 |
| Principal Payment | 0 | 0 | 0 | 0 | 14,116 | 14,715 | 15,341 | 15,994 | 16,675 | 17,386 | 18,129 | 18,906 | 17,268 | 20,642 |

Option 2 – Project stops. Basic site & road remediation. Borrow \$1.2mil, 15 years 5.7%. Principle & Interest payments

| | 2021/2022 | 2022/2023 | 2023/2024 | 2024/2025 | 2025/2026 | 2026/2027 | 2027/2028 | 2028/2029 | 2029/2030 | 2030/2031 | 2031/2032 | 2032/2033 | 2033/2034 | 2034/2035 |
|------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Wakatu Quay - New Loan | 17 | 16 | 16 | 15 | 14 | 13 | 12 | 11 | 10 | 9 | 8 | 7 | 6 | 5 |
| Loan Balance at Start | 0 | 0 | 0 | 0 | 1,200,000 | 1,137,738 | 1,072,733 | 1,004,849 | 933,937 | 859,835 | 782,367 | 701,338 | 616,524 | 530,984 |
| Loan Maturing | 0 | 0 | 0 | 0 | 62,262 | 65,004 | 67,884 | 70,913 | 74,102 | 77,467 | 81,030 | 84,814 | 85,539 | 93,800 |
| Loan Raised | 0 | 0 | 0 | 1,200,000 | | | | | | | | | | |
| Loan Balance at End | 0 | 0 | 0 | 1,200,000 | 1,137,738 | 1,072,733 | 1,004,849 | 933,937 | 859,835 | 782,367 | 701,338 | 616,524 | 530,984 | 437,185 |
| Interest on Loan | 0 | 0 | 0 | 34,200 | 48,000 | 45,510 | 42,909 | 40,194 | 37,357 | 34,393 | 31,295 | 28,054 | 30,826 | 21,239 |
| Principal Payment | 0 | 0 | 0 | 0 | 62,262 | 65,004 | 67,884 | 70,913 | 74,102 | 77,467 | 81,030 | 84,814 | 85,539 | 93,800 |

Option 3 – Project stops. Road remediation only. Borrow \$565k, 15 years 5.7%. Principle & Interest payments

| | 2021/2022 | 2022/2023 | 2023/2024 | 2024/2025 | 2025/2026 | 2026/2027 | 2027/2028 | 2028/2029 | 2029/2030 | 2030/2031 | 2031/2032 | 2032/2033 | 2033/2034 | 2034/2035 |
|------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Wakatu Quay - Road Cost Only | 19 | 18 | 16 | 15 | 14 | 13 | 12 | 11 | 10 | 9 | 8 | 7 | 6 | 5 |
| Loan Balance at Start | 0 | 0 | 0 | 0 | 565,000 | 535,685 | 505,079 | 473,116 | 439,728 | 404,839 | 368,365 | 330,213 | 290,280 | 250,005 |
| Loan Maturing | 0 | 0 | 0 | 0 | 29,315 | 30,606 | 31,962 | 33,388 | 34,890 | 36,474 | 38,151 | 39,933 | 40,275 | 44,164 |
| Loan Raised | 0 | 0 | 0 | 565,000 | | | | | | | | | | |
| Loan Balance at End | 0 | 0 | 0 | 565,000 | 535,685 | 505,079 | 473,116 | 439,728 | 404,839 | 368,365 | 330,213 | 290,280 | 250,005 | 205,841 |
| Interest on Loan | 0 | 0 | 0 | 16,103 | 22,600 | 21,427 | 20,203 | 18,925 | 17,589 | 16,194 | 14,735 | 13,209 | 14,514 | 10,000 |
| Principal Payment | 0 | 0 | 0 | 0 | 29,315 | 30,606 | 31,962 | 33,388 | 34,890 | 36,474 | 38,151 | 39,933 | 40,275 | 44,164 |

| | | |
|---------------------------|---|---|
| Report to: | Council | File # Planning PC3 Clause 17 report |
| Date: | 26 July 2023 | |
| Subject: | Adoption of Plan Change 3 to the Kaikōura District Plan | |
| Prepared by: | M Hoggard – Strategy Policy and District Plan Manager | |
| Input sought from: | | |
| Authorised by: | P Kearney – Senior Manager Corporate Services | |

1. SUMMARY

Clause 17(2) requires Council to affix the seal of the Kaikōura District Council before the plan is officially operative. This report seeks approval from Council to approve the provisions introduced through Plan Change 3 – Natural Hazard Plan Change – to the Kaikōura District Plan, pursuant to Clause 17(2) Schedule 1 of the Resource Management Act 1991.

In addition to meet the National Planning Standards the District Plan is required to be rehoused before November 2024. This has resulted in a change in format to the District Plan for all chapters.

Attachments: Links to Kaikōura District Plan <https://www.Kaikōura.govt.nz/council/plans-policies-reports/district-plan>

2. RECOMMENDATION

It is recommended that:

- a) This report be received by Council
- b) That Council approve Plan Change 3 (Natural Hazards) pursuant to Clause 17(2) Schedule 1 of the Resource Management Act 1991
- c) That Council approve the rehoused District Plan pursuant to Clause 17(3) Schedule 1 of the Resource Management Act 1991 and Council affix the seal of the Kaikōura District Council on 10th day of October 2023.

3. BACKGROUND

After community workshops and meetings with Te Runanga o Kaikōura from 9th September 2019 until 14th February 2021. Plan Change 3 (Natural Hazards) was notified on 10th March 2021. Seventeen submissions and two further submissions were received. Submissions closed on 21st April 2021 and on 3rd June 2021 further submissions closed. A hearing was held on 9th November 2021. The decision was released on 16th August 2022.

One appeal was received prior to the appeal period closing on 26th September 2022.

At the 28th September 2022 Council meeting a report was provided by Kerry Andrews (Policy Planner) and Council agreed Plan Change 3 becoming partly operative. It was partly operative as Council had received an appeal on rule NH-R5 which related to fault zones. Resolution recorded in the Minutes read that Council:

- a) Notes the appeal period for Plan Change 3 Closed on 27th September 2022.*
- b) Notes that one appeal has been received at the time this report has been prepared.*
- c) Notes that as an appeal has been received the Council accepts this amended report which seeks the Council's approval of Plan Change 3, except for Rule 8.5.5. (For the avoidance of doubt the proposed Rule 8.5.5 is set out on Attachment 2.)*
- d) Notes that pursuant to Schedule 1 Clause 17 of the Resource Management Act 1991 the Council may approve part of a plan, if all submissions or appeals relating to that part have been disposed of.*

e) Notes that the natural hazard provision in Plan Change 3 do not become fully operative until Council accepts the decisions and the Council has publicly notified the operative date. Notification must be given at least 5 working days before the date of the plan become operative.

On 18th May 2023 the appellant advised that he would not pursue a formal appeal to the Environment Court. With no outstanding appeal, the plan was technically operative on 18th May.

This report seeks to make the Kaikōura District Plan formally operative.

All documents that relate to Plan Change 3, including the Decision, can be found at: <https://www.Kaikōura.govt.nz/council/plans-policies-reports/district-plan>

4. ISSUES AND OPTIONS

There are no options available for consideration. The First Schedule of the Resource Management Act requires that the final consideration of plans shall be effected by affixing the seal of the local authority to the proposed policy statement or plan.

The Resource Management Act 1991 allows for Council to approve the plan when all submissions or appeals have been disposed of, with such approval being affected by affixing the seal to the proposed plan.

It is important from a plan administration perspective that this task is completed as it sets a date in time as to when the plan is officially operative. It is noted the operative date as per Clause 20 is required to be publicly noted at least 5 working days before the date on which it becomes operative.

The operative date is intended to be 10th October 2023.

5. COMMUNITY VIEWS

Public notification has occurred as discussed in 3.1 above. No additional community input is required.

6. FINANCIAL IMPLICATIONS AND RISKS

Financial Implications

There are no financial considerations related to this proposal

Community Implications

Plan Change 3 identifies known natural hazards within the District. Resource consents are required where the risk is high and for flooding a flood hazards certificate approach is used where the risk is low. This will result in cost savings for individuals wishing to build in low-risk flood hazard areas.

Risk Management

Plan Change 3 results in the inclusion of a risk management approach for natural hazards within the District Plan.

Health and Safety

Overtime the health and safety of the community will be improved as the adverse effects of natural hazards will be avoided, remedied or mitigated.

7. RELEVANT LEGISLATION

Policy

This matter is not a matter of significance in terms of the Council's Significance and Engagement Policy.

Legislation

Resource Management Act 1991

8. COMMUNITY OUTCOMES SUPPORTED



Community

We communicate, engage and inform our community



Development

We promote and support the development of our economy



Services

Our services and infrastructure are cost effective, efficient and fit-for-purpose



Environment

We value and protect our environment



Future We work with our community and our partners to create a better place for future generations

Delegations

Current delegation manual – updated March 2023 provides delegation to council staff to address matters under First Schedule (Clauses 3, 3B, 5, 7, 16A & 23) as Clause 17 is not considered this requires the decision of the full Council.

| | |
|---------------------------|--|
| Report to: | Council |
| Date: | 26 July 2023 |
| Subject: | Discharge of the Kaikōura Community Services Committee |
| Prepared by: | W Doughty – Chief Executive Officer |
| Input sought from: | S Haberstock – Community Services Manager Councillor R Roche – Chair of the Community Services Committee B Makin – Executive Officer |
| Authorised by: | W Doughty – Chief Executive Officer |

1. SUMMARY

At the February 2023 meeting of the Kaikōura Community Services Committee, the future of the committee was discussed and whether it continued to serve a purpose as most of its activities are being delivered operationally by the Community Services Team. A lengthy discussion was held on how this could look which involved engagement from the community organisations. Despite various attempts to reinvigorate the committee, it has not been supported by many community organisations.

This report seeks the formal discharge of the Kaikōura Community Services Committee by Council, in their power under the Local Government Act 2002 (LGA) clause 30(5)(a).

Attachment 1: Terms of Reference for the Kaikōura Community Services Committee

2. RECOMMENDATION

It is recommended that the Council discharges the Kaikōura Community Services Committee, with immediate effect.

3. BACKGROUND

The Kaikōura Community Services Committee was officially re-established in February 2020 following the reinstatement of the four well-beings into the LGA on 8 May 2019. The purpose of the Kaikōura Community Services Committee (the “Committee”) is to:

- Advise Kaikōura District Council
- Recognise work that delivers well-being to the community
- Develop and maintain a Community Well-being Strategy
- Develop and maintain key stakeholder relationships in the well-being space
- Provide a voice to community groups and organisations, on Council matters
- Provide ongoing recommendations to Council in partnership with all stakeholders
- Provide ongoing status reports to Council in partnership with all stakeholders
- Ensure effective progress and outcomes for community initiatives identified in the community well-being strategy and annual work plan
- Review resolutions as they relate to the community well-being strategy and recommend action where required
- Ensure all work of the CSC is informed by the well-being principles
- Implement Living Standards Framework (national initiative) in partnership with all stakeholders.

The purpose of the relationship between the Committee and the Council is for the committee to provide recommendations to the Council in partnership with all stakeholders to allow for community voice to be heard. Reporting to the Council is provided for in the regular Community Services Update reports, as are any recommendations. No reports have been presented to the Council by the Committee.

The Community Services Team are carrying out some of the functions of the Kaikōura Community Services Committee, these include:

1. The Community Services Team (the Team) recognises and supports work that delivers well-being to the community. This is through the monthly Community Networkers, Housing Forum, Older Persons Working Groups and our Community Development Officer’s relationships
2. The Team wrote and updated the Community Well-being and Development Strategy 2023-2025 and delivers its outcomes, which are included in the strategy
3. The Team develops and maintains key stakeholder relationships as mentioned above
4. The Team provides a voice to community groups and organisations on Council matters, such as providing support to Takahanga Marae on Health Days, working alongside Te Whare Putea in the housing space as a few examples
5. The Team provides ongoing status reports to Council in partnership with all stakeholders, this is reflected in the Community Services Committee Update reports to the Council
6. The Team ensures effective progress and outcomes for community initiatives identified in the community well-being strategy and annual work plans. These are measured by monthly 1:1’s with staff and 6 monthly performance reviews.

Discussions have been held with the Chair of the Community Services Committee and the Mayor, who are supportive that the purpose of the Committee has been fulfilled. The Council may decide to reconstitute a committee once the Future for Local Government initiatives have been approved by Government and reviewed by the Council.

4. RELEVANT LEGISLATION

The Local Government Act 2002 provides for the Council to consider and make such a resolution as referred to above.

5. FINANCIAL IMPLICATIONS AND RISKS

There will be savings in staff time and workload. There are no significant risks.

6. COMMUNITY OUTCOMES SUPPORTED



Community

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We promote and support the development of our economy



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Environment

We value and protect our environment



Future

We work with our community and our partners to create a better place for future generations

Attachment 1 - Kaikōura Community Services Committee (CSC) - Terms of Reference

This document provides a framework for the convening, operation, administration and evaluation of the proposed Kaikōura Community Services Committee (CSC), which will deliver and report on well-being in the Kaikōura District.

Background and purpose

On the 8 May 2019, the four well-beings were reinstated into the Local Government Act (2002), which formally recognised that local Councils have a significant role to play in lifting the quality of life for their people, and the health of the environment.

Kaikōura District Council unofficially approved the re-establishment of a Community Services Committee in November 2019. Its purpose is to:

- Advise Kaikōura District Council
- Recognise work that delivers well-being to the community
- Develop and maintain a Community Well-being Strategy
- Develop and maintain key stakeholder relationships in the well-being space
- Provide a voice to community groups and organisations, on Council matters
- Provide ongoing recommendations to Council in partnership with all stakeholders
- Provide ongoing status reports to Council in partnership with all stakeholders
- Ensure effective progress and outcomes for community initiatives identified in the community well-being strategy and annual work plan
- Review resolutions as they relate to the community well-being strategy and recommend action where required
- Ensure all work of the CSC is informed by the well-being principles
- Implement Living Standards Framework (national initiative) in partnership with all stakeholders.

CSC Objective

The CSC will ensure a ‘grass-roots’ approach to community development and services in the Kaikōura District and will develop a clear work programme in line with the KDC Wellbeing Strategy, working collaboratively with local groups and organisations, as well as national agencies to determine what is required to foster a liveable communities in Kaikōura.

Limitation of powers

As per Kaikōura District Council’s Delegation Manual (2019), the CSC will not be able to authorise or otherwise commit the Council to any expenditure exceeding that in the current Annual Plan without the prior authority of full Council, nor commit the Council to any binding decisions in any areas other than those delegated by Council.

Responsibilities

The CSC will deal with the human aspects of business, strategy and policy decision-making that relates to the social, environmental and cultural activities of Kaikōura District. Community engagement aims to increase accountability and help ensure that services are delivered efficiently and effectively and meet the needs of the communities they are designed to serve.

It can also increase opportunities for voluntary effort and enhance social capital and community trust (LGNZ Community Governance Report, 2014). The CSC will allow a higher level of community engagement, and ensure the community voice is well represented in all levels of decision-making.

Membership and meetings

Possible stakeholders to be agreed – suggestions below:

1. Te Rūnanga o Kaikōura
2. District Library
3. Rebuild navigator
4. Mental health and wellbeing

5. Community events
6. Civil Defence
7. Violence free
8. Community NGO's (such as Te Hā and Te Ahi Wairua)
9. Social housing and income support
10. Women, children, whānau
11. Youth and education
12. Seniors
13. Culture and heritage
14. Arts
15. Sport and recreation
16. Climate change
17. Biodiversity
18. Community facilities
19. Waste minimization
20. Community members
21. KDC Staff (Community Development and Services)
22. Kaikōura Well-being Rōpū .

The Chairperson will be the Kaikōura District Council's nominated Councillor.

Appointment process for members:

Representatives will be sought from the above stakeholders. The identified organisations will put forward the most appropriate member of their organisation as a representative on the committee. Council will advertise the appointment of a youth and elderly representative accordingly. Interested community members can apply and will be assessed based on their community involvement and previous interest/involvement in the wellbeing space (referees must be provided). Council will make the appointments of community members.

Meeting details

Meetings will be held monthly – day and time TBD. Previous minutes and agenda will be circulated one week prior to the meeting.

Quorum

As per Kaikōura District Council Standing Orders, the quorum at a meeting of –

- a) A local authority or joint committee consists of:
 - (i) Half of the members if the number of members (including vacancies) is even; or
 - (ii) A majority of members if the number of members (including vacancies) is odd.

The quorum of all Council committees and working parties is two members, unless specified in relevant terms of reference.

Reporting

Reporting will be required to Council on a bi-monthly basis. Recommendations can be made from these reports, for Council consideration. Reports will be a collation of matters from the CSC meetings, as well as general updates from wider community groups and organisations. All stakeholders are invited to contribute to regular reports on wellbeing.

Voting

All members of the committee are eligible to vote on decisions that are required within the Kaikōura CSC. If one stakeholder has more than one representative in attendance, they will only be eligible for one vote in any decisions requiring voting.

If voting is tied, the Chair's vote is disregarded.

Remuneration

Membership on the CSC is voluntary and no financial remuneration will be given.

Management of group

Council Community Development staff are responsible for the management of meetings, minutes and report writing. The CSC will review reports before they are presented to Council to ensure they represent a true and accurate record.

The CSC at all times operates in accordance with the requirements of the Local Government Official Information and Meetings Act 1987 and will observe the following principles:

- Give effect to the principles of Councils Annual, Long-Term and Reimagine Kaikōura Plans
- Committee members of the CSC agree to participate in the project in good faith and recognise the need to work collaboratively to achieve the listed objectives
- Be culturally sensitive, observing tikanga Māori
- Work in a collaborative and co-operative manner using their best endeavours to reach solutions that balance the interests of all sectors of the community
- Seek consensus in decision-making where at all possible
- Where despite the best endeavours unanimous agreement cannot be reached a decision may be taken, if in the view of the significant majority it represents the best interest of all sectors of the community.

Project deliverables and timing

The CSC will meet monthly, with four reports being presented to Council in January, April, July, October.

Legislation

The **Community Well-being Amendment Bill** was passed by the New Zealand government on 14 May 2019 which transformed the purpose of local government, “to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future”, including the replacement of community outcomes to take into account these well-being factors.

One key change to note, is the repeal of Section 11A (*Appendix 1*) - Core services to be considered in performing role. Section 10 (*Appendix 2*) – Purpose of local government replaces this, with the clear refocus on enabling decision-making and promoting well-being.

Recommendation:

- THAT Council approve the terms of reference for the Community Services Committee

Appendix one:

11A Core services to be considered in performing role

In performing its role, a local authority must have particular regard to the contribution that the following core services make to its communities:

(a) network infrastructure:

(b) public transport services:

(c) solid waste collection and disposal:

(d) the avoidance or mitigation of natural hazards:

(e) libraries, museums, reserves, and other recreational facilities and community amenities.

Section 11A: inserted, on 27 November 2010, by section 5 of the Local Government Act 2002 Amendment Act 2010 (2010 No 124).

Section 11A(e): replaced, on 8 August 2014, by section 7 of the Local Government Act 2002 Amendment Act 2014 (2014 No 55).

(a) Appendix two:

Subpart 1—Purpose of local government

(b) 10 Purpose of local government

1. The purpose of local government is—

- (a) to enable democratic local decision-making and action by, and on behalf of, communities; and
- (b) to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.

| | |
|---------------------------|-------------------------------------|
| Report to: | Council |
| Date: | 26 July 2023 |
| Subject: | CEO Update Report |
| Prepared by: | W Doughty - Chief Executive Officer |
| Input sought from: | |
| Authorised by: | W Doughty - Chief Executive Officer |

1. PURPOSE

To provide the Council with an update on major work streams and other activities.

2. RECOMMENDATION

It is recommended that the Council receives this report for information.

3. COUNCIL ACTIVITY – KEY FOCUS AREAS

Overview

It was great to see the level of community response (168) with regard to the link pathway surface trial. A summary of findings was published in the paper and on our website. The team is currently progressing with a tender for one of the main sections of path. The material for most of the pathway, based on consideration of the responses, will be charcoal coloured concrete, but with narrow borders of limestone chip placed on either side of the path in recognition of the view that the appearance of this material integrates well with the local environment. Work on the boardwalk section of the pathway to Point Kean is expected to be completed by the end of September. Further consultation will be undertaken later in the year on street furniture, potential public art and points of interest along the route. It is also good to see our footpath replacement work progressing along the esplanade. Further work is planned on the next priorities this financial year.

There are a number of community consultations that will be coming up over the next few months. These include the Special Consultative Procedure (SCP) for the consideration of a financial commitment in the LTP for the Wakatu Quay project (which is included on the agenda). Over the next few months we will also have the draft speed management plan, the draft signs bylaw and the draft outcomes from the rating review. All of these need to be finalised and adopted before Christmas.

The finance team remain very busy with year-end accounts and also the rating review and preparing for the long term plan. Audit NZ has signaled an intent to complete the audit of the 22/23 financial year by the end of September 2023. The next meeting of the Finance Audit and Risk Committee is scheduled for August when the full year end results will be considered. A financial summary with the interim end of June accounts is included in Appendix 1.

Updated IWK Statement of Intent for 2022/23

During the audit of KDC and its group, Audit NZ identified inconsistencies with legislation in the Statements of Intent (SOI) for both IWK and KET. For IWK, the inconsistencies related to the statements that IWK is a Council Controlled Trading Organisation (CCTO) in its SOI for the 2020, 2021 and 2023 financial years. The implications were that the entire group (IWK, KET and KDC) would receive further qualifications over the Annual Reports for each of those years because the accounting standards and other legislative requirements specific to CCTO's were not adhered to for those years. The applicable sections of the Local Government Act include Schedule 8, Part 2, and Schedule 8, Part 4, as well as financial reporting standards for CCTO's.

The IWK board has agreed that it was an error to state IWK is a CCTO and has amended its SOI for the 2023 financial year to Council Controlled Organisation (CCO). At the same time, the SOI has been

amended to ensure it fully complies with legislation by including forecast financial information with more detailed forecast budgets and a forecast statement of cashflow, more detailed accounting policies, and a description of the assumptions under which the financial information has been prepared. The amended SOI for 2023 has been adopted by the IWK board and is included Attachment 2 to this report for information. Audit NZ has also recommended KET's SOI for 2023 be amended to include a Statement of Cashflows and a description of the significant assumptions that were used to prepare the financial forecasts, plus other relatively minor wording, and so the KET SOI will be amended as soon as practical.

Economic Development

The Rebel Business School was held in the week of the 3rd July. I was very fortunate to meet the students during the week and to award them their certificates at the end of the course. Although fewer in numbers this year, there were some fantastic business ideas and lots of enthusiasm. I think all the students got a lot from the week and so it was great to be able to support it again this year. We have also had confirmation that 8 Kaikōura businesses have entered the Enterprise North Canterbury Business awards and have made it to the awards dinner on the 6th October.

Reforms update

The final Future for Local Government report was released on the 21st June. It is available at the link below.

<https://www.futureforlocalgovernment.govt.nz/reports/>

Local Government New Zealand (LGNZ) are looking to take the lead for the sector on getting some alignment around possible next steps and priorities for discussion with central government post the election.

In the Affordable Waters Reform space, submissions have now been heard with regard to the new legislation around the revised 10 entity model. Timeframes were very short for the submission process but KDC representatives contributed to discussions on the C4LD group submission. It is still central government's intention to have this updated legislation passed before the election in October. The NTU is currently engaging with Councils around the country to get a sense of Go live preference for each of the ten entities between 1st July 2024 and 1st July 2026. Preliminary discussions have been had with CE's in the Canterbury Region, but further discussion is required at the Canterbury Mayoral Forum and with the West Coast Councils who also form part of Entity I. No indication has been provided to the NTU at this stage. We are currently planning that our LTP will need to include two years of three waters delivery until 1st July 2026, but this could change again post-election.

In terms of the RMA reforms, the Natural and Built Environment Bill and the Spatial Planning Bill have been reported back to Parliament with extensive changes and a lengthy report from the Environment Select Committee. The second reading is expected in the week commencing 24 July and the two bills will likely be passed before the end of August. The National Planning Framework is expected to follow. Other planning policy updates are provided in the monthly planning report.

Council Team

We are continuing our process for the end of year performance, development and wellbeing reviews (PDWs) with a view that these are completed for all of the team by the end of July.

The current vacancies we are seeking to fill include the following:

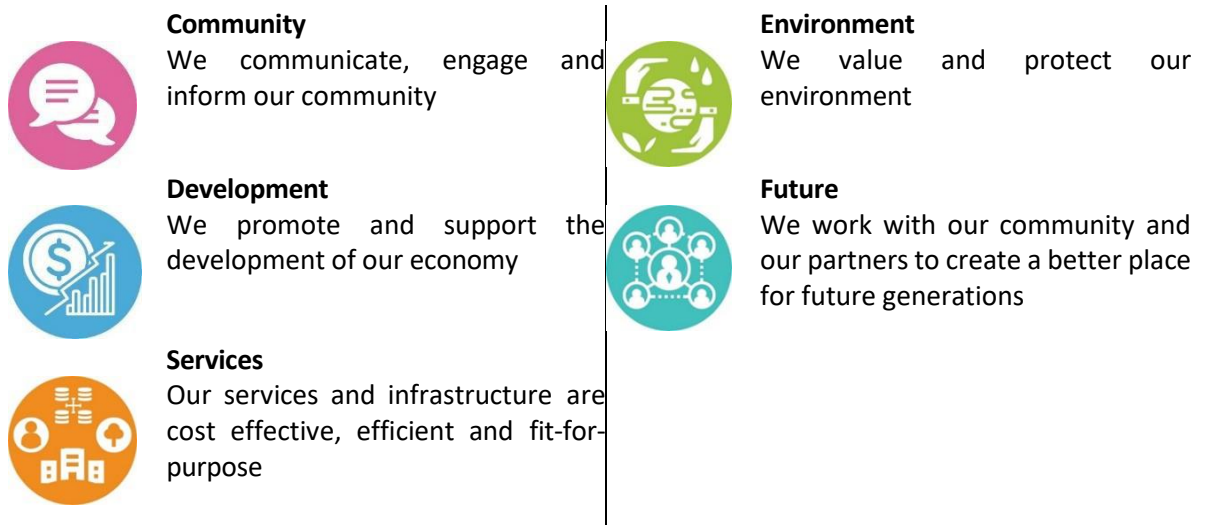
- Building Control Manager
- Building Control Officer
- Communications Officer
- Policy Planning Officer
- Customer Services Officer/Information Management

We are continuing to implement our wellbeing action plan including a mid-winter gathering.

Focus areas for the next three months

- Outstanding debtors and resolution of historic harbour issues.
- Team PDW's and remuneration reviews

4. COMMUNITY OUTCOMES SUPPORTED



Attachment 1: Summarised Finance Report for the period to 30 June 2023

Attachment 2: Updated IWK Statement of Intent for 2022/23

Summarised Finance Report for the period to 30 June 2023

The following provides a summary on the interim financial statements for the year ended 30 June 2023. The results are subject to year end adjustments, including adjustments for any prepayments, accruals, provisions, depreciation, asset revaluations and forestry.

The net surplus for the year is \$989K, compared to a budget of \$1.07M.

| Summary Statement of Comprehensive Revenue & Expense | | | |
|--|------------------------|------------------------|----------------------|
| | Budget YTD 30/06/23 | Actual YTD 30/06/23 | Variance 30/06/23 |
| Grants & Subsidies | 7,934,266 | 6,753,390 | (1,180,876) |
| Rates Revenue | 8,803,231 | 8,872,858 | 69,627 |
| All other revenue | 1,802,289 | 2,009,675 | 207,386 |
| TOTAL REVENUE | 18,539,786 | 17,635,923 | (903,863) |
| Operating expenses – Other | 9,340,342 | 10,224,733 | (884,391) |
| Personnel | 3,696,985 | 3,349,510 | 347,475 |
| Grants Paid | 487,084 | 990,099 | (503,015) |
| Project Expenses | 2,274,791 | 549,967 | 1,724,824 |
| Professional Fees & Consultancy Fees | 932,237 | 602,135 | 330,102 |
| Repairs & Maintenance – Roading | 735,696 | 930,635 | (194,939) |
| TOTAL EXPENSES | 17,467,135 | 16,647,079 | 820,056 |
| Operating surplus/(deficit) | 1,072,651 | 988,844 | (83,807) |

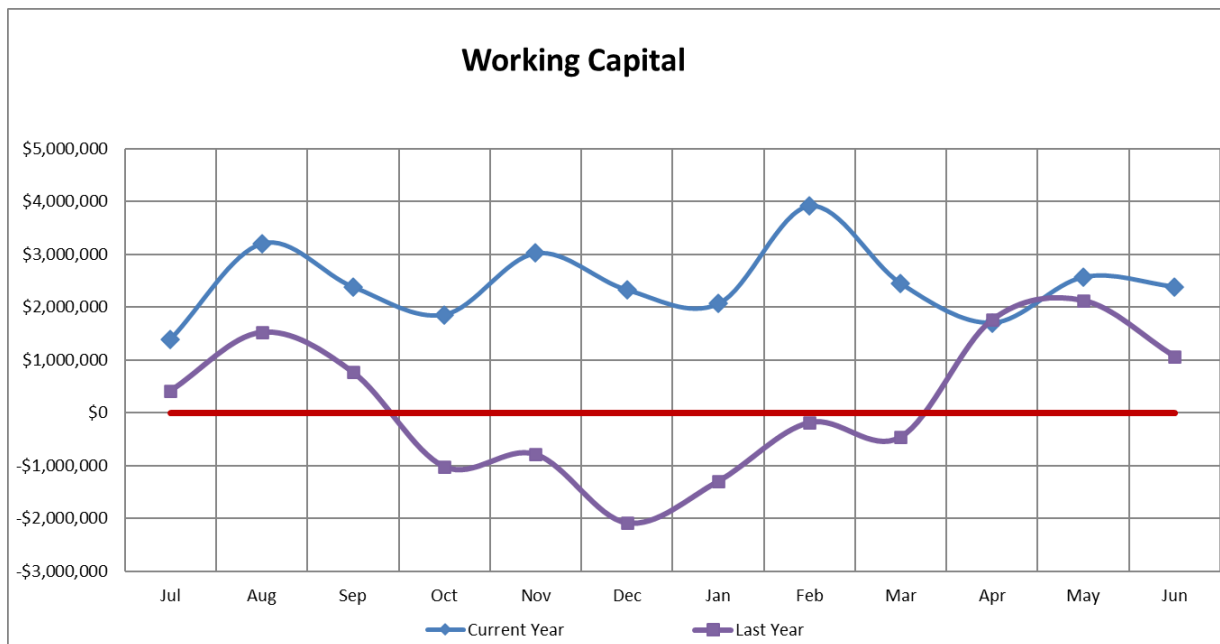
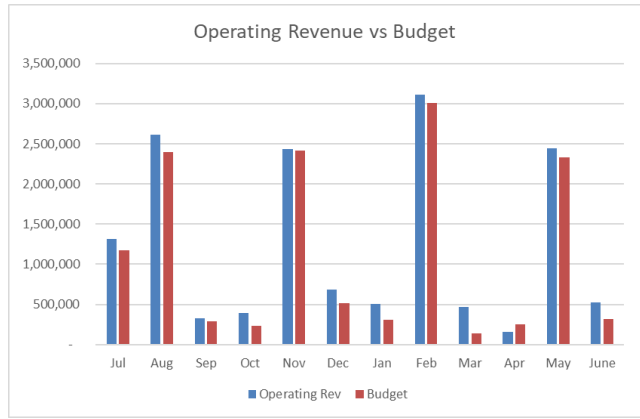
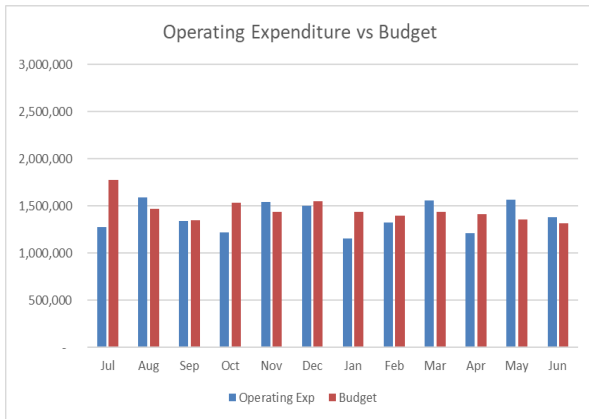
Total revenue is \$904K below budget, the large variance relates to grants and subsidies – with \$3.3M budgeted in Capex Grants and \$1M received – largely relating to Wakatu Quay which has been progressing slower than expected. Expenditure is under budget by \$820K largely relating to the underspend in Wakatu Quay (project expenses and consultancy fees). However, grants paid are above budget due to paying out the grant received for Mayors Taskforce to Te Ha.

| Summary Statement of Financial Position | | | |
|---|--------------------|--------------------|--------------------|
| | Budget to Year End | Actual 30/06/23 | Actual 30/06/22 |
| Current assets | 5,452,921 | 4,602,744 | 4,415,174 |
| Non-current assets | 228,378,345 | 291,264,692 | 291,787,670 |
| Current liabilities | (1,850,810) | (2,215,101) | (3,539,354) |
| Non-current liabilities | (9,315,875) | (7,160,704) | (7,160,704) |
| TOTAL NET ASSETS | 222,664,581 | 286,491,631 | 285,502,786 |
| Public equity | 117,714,129 | 114,958,377 | 115,080,012 |
| Special funds & reserves | 4,273,594 | 5,199,942 | 4,089,462 |
| Asset revaluation reserve | 100,676,858 | 166,333,312 | 166,333,312 |
| TOTAL EQUITY | 222,664,581 | 286,491,631 | 285,502,786 |

Cash is \$3.4M, borrowings are at \$5.3M with the total amount being non-current. There was no new

borrowing this year, resulting in actual non-current liabilities being \$2M lower than we budgeted. Non-current assets are higher than budgeted due to the revaluation completed in 2022 – we are only undertaking a revaluation on the South Bay and Wakatu Quay Harbour assets for the 2023 financial year. Working capital is positive at \$2.5M with the liquidity ratio sitting at 2.08.

Financial Dashboard





Innovative Waste Kaikōura Ltd Statement of Intent

2022/23 – 2024/25

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1. Introduction

This Statement of Intent (SOI) is prepared in accordance with Section 64(1) of the Local Government Act 2002 (LGA).

The SOI specifies for Innovative Waste Limited (IWK), the objectives, the nature and scope of the activities to be undertaken, and the performance targets and other measures by which the performance of the company may be judged in relation to its objectives, amongst other requirements.

The process of negotiation and determination of an acceptable SOI is a public and legally required expression of the accountability relationship between the company and its Shareholder (Kaikōura Enhancement Trust (KET), & its ultimate owner, being the Kaikōura District Council (KDC)).

IWK is contracted to manage and operate the Kaikōura Resource Recovery Centre and 3 Waters operations and maintenance activities. This includes the:

1. The Materials Recovery Facility or MRF which processes, Glass, Plastics, and Metals and sells the output product commercially to external parties from recyclable materials collected from the wider Kaikōura District.
2. The Recycling and Refuse Drop off area is open to the public along with commercial customers for the disposal of most household waste and commercial general waste and domestic recycling.
3. The Landfill which is an open facility, until the establishment of a Transfer Station facility.
4. The retail store which sells all types of previously-owned goods are collected from members of the public, carefully sorted, priced and then sold to the Kaikōura public.
5. Operating and maintaining 7 Water schemes (Oaro, Ocean Ridge, Peketa, Urban, Fernleigh, Kincaid and East Coast)
6. Operating and maintaining the Waste Water Treatment Plant and the Wastewater Reticulation network
7. Undertaking maintenance activities on the stormwater network

IWK also provides the following services to KDC under contracts:

1. Kerbside Collection of recycling & rubbish
2. Rural recycling collection (Clarence, Lynton Downs & Kekerengu)
3. Amenities cleaning and maintenance

IWK provides the following services to the wider Kaikōura District:

1. Skip Hire service
2. Business recycling services
3. Zero Waste Event management
4. Trees for Travellers (in hiatus)

The SOI is reviewed annually with KDC and covers a three-year period. Innovative Waste Kaikōura Ltd is a Council-Controlled Organisation (CCO) for purposes of the Local Government Act 2002.

2. Contact Details

Address and Registered office

82 Scarborough Street
KAIKŌURA 7300

Board of Directors

Glen Hughes (Chair)
Neil Pablecheque
Geoff Harmon
Lynette Buurman

General Manager

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3. Objectives

The objectives of IWK are:

- **Deliver excellent services**
 - Develop and agree levels of service with KDC
 - Regularly survey and report stakeholder satisfaction levels
 - Constantly seek areas for improved service delivery
- **Educate the community**
 - Promote and encourage waste minimization
 - Establish partnerships with schools
 - Establish partnerships with community groups for upcycling/recycling
- **Be a good employer**
 - Pay the living wage
 - Provide training and development opportunities
 - Provide local apprenticeships/cadetships
- **Be innovative**
 - Partnership based contracts with KDC
 - Seek innovative ways to enhance services
- **Consider expansion and diversification within the district**
 - Assess alternative opportunities that are sympathetic with current operations and beneficial to KDC.

4. Nature and Scope of Activities

IWK is a Council-Controlled Organisation (CCO) for the purposes of the Local Government Act 2002 and the Companies Act 1993, operating for charitable purposes and specifically for the promotion, development and implementation of environmentally sound waste management processes and practices in New Zealand.

IWK's current area of operation is in the upper South Island.

IWKs function is the provision of solid waste management services, resource recovery, 3 water operations and maintenance, amenity servicing and environmental enhancement services.

5. Governance

IWK has a Board of directors in place. This board is appointed by the Kaikōura Enhancement Trust under the direction of KDC.

IWK's Board of Directors are responsible for the corporate governance of the company. The Board and management are committed to ensuring the company operates to the recognised principles of best practice governance and adheres to high ethical standards and in alignment with the IWK Constitution.

This Statement presents an overview of the main corporate governance policies of the company.

Role and Responsibility of the Board of Directors

IWK's Board of Directors is appointed by the shareholder, the Kaikōura Enhancement Trust, under direction of KDC and is responsible for the direction and control of the company's activities.

The primary function of the Board is to ensure that the company meets its objectives and requirements as listed in the SOI. Additionally, the Board has obligations under the Local Government Act 2002 to deliver an annual Statement of Intent and relevant half-yearly and annual reports to the Shareholder (and for publication as required by legislation).

All Directors endorse and are required to comply with the New Zealand Institute of Directors' Code of Proper Practice for Directors.

The board must make best endeavours to ensure:

1. The Company's financial position is protected to make sure that it is able to meet all debts and obligations.
2. The company's financial statements are a true and fair representation and otherwise conform to law.
3. The company has appropriate risk management in place.

Conflict of Interest

The Board is conscious of its obligations to ensure that Directors avoid conflicts of interest (both real and apparent) between the company and their interests. Where conflicts do exist, then the Director/s concerned must disclose their interest, excuse themselves from any Board discussions and not receive any Board papers in respect of those interests.

The board maintains a Board and Management Interests Register and reviews this register quarterly at a board meeting.

The Board is to prepare a succession and rotation plan for all Directors to ensure continuity and continued fit of skillset to meet the nature of the services required including waste management.

Board Composition

The board will consist of a minimum of 4 directors. With prior Shareholder and KDC approval, the Board may appoint one full time executive as a Director of the company.

Currently all members of the Board are non-executive Directors.

The Shareholder has the right to appoint a Chairperson and if it considers appropriate, a Deputy Chairperson for such periods as it sees fit. If the Shareholder does not exercise that right, then the Board may elect their own Chairperson or Deputy Chairperson.

The board supports the separation of the role of Chairperson and General Manager. The Chairperson's role is to manage and provide leadership to the Board and to facilitate the Board's interface with the General Manager.

The Board has delegated to the General Manager the day-to-day leadership and management of the company. The General Manager has formally delegated certain authorities to direct reports and has established a formal delegated authority framework for those direct reports to sub-delegate as appropriate. The company may also make use of external advisors from time to time.

The Board is responsible for reviewing the company's accounting policies, reporting practices and resultant financial statements. It also considers external audit reports; audit relationship matters and fees as well as delegated authorities.

Board Meetings

Each year there are a minimum of 6 scheduled meetings of the Board, the Board also meets as required between the scheduled meetings.

Director Induction and Education

Upon appointment to the Board, all new Directors will undergo a tailored induction programme appropriate to their experience to familiarise them with IWK's business and strategy. The programme includes one-on-one meetings with management and visits to facilities managed by the company.

Directors are expected to keep themselves informed of changes and trends in the company's business and in the environment and markets in which the company operates.

All Directors will undertake continuous education so that they may appropriately and effectively perform their duties.

Board Performance Review

The board reviews its own performance and the performance of the General Manager. The process includes one-on-one meetings between the Chairperson and each Director, as well as regular Board discussion on governance and performance issues.

General Manager Performance Review

The Board reviews the performance of the General Manager against their key performance objectives at least once a year.

Controlling and Managing Risk

Health and Safety – The Board oversees company health and safety protection policies and hazard assessments and regularly monitor their performance. The General Manager provides a report and supporting data monthly to the Board to review.

Risk Management - The company will develop a formal risk management framework which identifies the key risks and outlines the appropriate risk management and mitigation plans. The risk management framework is reported to and reviewed by the Board. Mitigation plans are controlled and administered by Management.

Performance – The Board sets the strategic direction of the company and participates in developing strategic plans, approves budgets and monitors company performance monthly.

Insurance – The Board satisfies itself that adequate insurance cover is in place for the company’s size and risk profile. External advice is received by the Board as appropriate.

6. Performance Targets

Financial Performance Targets

The financial performance targets for the company are as follows:

| | 2022/23 | 2023/24 | 2024/25 |
|-----------------------|-----------|-----------|-----------|
| Revenue | 2,050,000 | 2,053,000 | 2,285,500 |
| Net Profit Before Tax | -17696 | -17099 | 13,971 |
| Return on Equity | -2% | -2% | 1% |
| Equity | 953,421 | 936,326 | 946,384 |

| | | | |
|--|------|------|------|
| Fixed Asset turnover | 0.99 | 0.99 | 1.10 |
| Liquidity ratio (excl Holiday pay accrual) | 2.63 | 3.35 | 4.16 |
| Wages as % of Revenue | 50% | 49% | 53% |
| R & M as a % of Revenue | 1% | 1% | 1% |

Operational Performance Targets

In addition to the above financial performance measures, IWK will use the following measures to assess its performance of the 2022/23 financial year:

| Performance Targets | Performance Measure 2022/23 |
|----------------------------|---|
| Client Satisfaction | <p>98% of all urgent callouts, applicable to the contract are responded to within one hour or two hours respectively from the time of the notification to the time that service personnel depart to the site.</p> <p>98% of all non-urgent call outs, applicable to the contract are responded to within 48 hours from the time the notification to the time that service personnel attend site.</p> <p>Compliance with KDC contractual requirements, including provision of all information required by KDC to enable assessment of its adopted performance measures in respect of public complaints and responsiveness for the three-waters (as per Appendix Three) and solid waste activities supported by IWK.</p> <p>Service requests received about recycling collections is less than 20 per year.</p> <p>Obtaining an unqualified audit opinion</p> |
| Service Performance | <p>Zero abatement notices or infringements issued to KDC for non-compliance with resource consent conditions.</p> <p>The number of complaints received per year being due to a service request not being actioned appropriately is less than 10.</p> |

| | |
|--------------------------------|--|
| Health and Safety | 5% reduction in TRIF (Total Recordable Incident Frequency) accident rates LTIFR (LTI per 200,000 hours worked) <6 |
| Staff Engagement | Increase baseline engagement by 10% |
| Diversion from Landfill | 55% (as per Ministry for Environment methodology) |

7. Financial Statements 2022/23, 2023/24 & 2024/25

The prospective financial statements for the years ending 30 June 2024, 2025 & 2026 are attached as Appendix One and include any significant assumption disclosures.

8. Accounting Policies

IWK has adopted accounting policies that are consistent with New Zealand International Financial Reporting Standards, generally accepted accounting practice and the policies adopted by the KDC.

The company's current Accounting Policies are attached to this Statement of Intent as Appendix One.

9. Distributions

IWK will consider a dividend to the shareholder, the Enhancement Trust, from residual cash after operating cash flow is applied to necessary capital expenditure, including looming capital expenditure initiatives, finance costs, the reduction of debt and maintaining reserves sufficient to meet the company's future obligations. IWK recognises that a significant portion of its revenues are susceptible to commodity and foreign exchange price fluctuations. For this reason, the directors consider it prudent for the

company to maintain cash reserves and/or borrowing capacity to ensure the company can withstand unfavourable short-term commodity and foreign exchange movements. The dividends payable to the shareholder, the Enhancement Trust, will be determined by the IWK Board after consideration of the company's funding requirements and the requirement to meet the solvency test under the provisions of the Companies Act 1993.

10. Information to be provided to the Shareholder

An annual report will be submitted to the Shareholders and KDC The annual report will include audited financial statements and such other details as are necessary to permit an informed assessment of the company's performance and financial position during the reporting period provided to the Shareholder.

Half-yearly reports will also be provided to the Shareholder and KDC These reports will contain unaudited information and comply with NZ IAS 34.

Annual reports will be produced and will provide

- a comparison of the performance of the IWK with the statement of intent; and
- an explanation of any material variances between that performance and the statement of intent;

The statement of intent will be submitted to the Shareholder and KDC for consultation annually, as required by the Local Government Act 2002. The Directors will include any other information they consider appropriate. Where it is appropriate, revised forecasts will be submitted to the Shareholder and KDC.

The company will operate on a "no surprises" basis in respect of significant Shareholder-related matters, to the extent possible in the context of commercial sensitivity and confidentiality obligations.

The company will provide information requested by the Shareholder in accordance with the requirements of the Local Government Act 2002.

11. Acquisition and Divestment Policy

The subscription or acquisition of securities in any company or organisation, or a divestment of part of the existing business, will only be considered where it is consistent with the long-term commercial objectives of IWK.

When the subscription, acquisition or divestment is considered by Directors to be significant to the company's business operations, it will be subject to consultation with the Shareholder and KDC. Any significant investment or acquisition is subject to a post investment review.

Appendix One

Prospective Financial Statements

Assumptions

The following assumptions have been made whilst preparing the prospective financial statements (the Statements):

Revenue

Contract Income - Based on current contracts at the time of compiling the Statements plus CPI adjustments to be made and 2% for subsequent years

Landfill Income – staying static based on population

Resource Recovery Centre – a conservative forecast has been made due to commodity market fluctuations

3 Waters recovery – estimated on other/private works outside of KDC contracts

Other – Blue rubbish bag sales

Interest Income – has not been estimated at the time of compiling the Statements and is not a significant income source.

Expenditure

Direct Costs – have been budgeted for the Statements on current contractual commitments

Operating Expenses – the Statements have been prepared on anticipated administration and maintenance costs

Finance costs – costs for Insurance finance and Interest payments to KDC

Depreciation – the forecast depreciation for the Statements is based on minor planned plant and equipment upgrades and disposals.

Wages – an increase is projected to allow for any additional recruitment required for the transfer station, remuneration adjustments, and the recruitment of a part-time Waste Minimisation educator

Innovative Waste Kaikoura Ltd
Prospective Statement of Revenue and Expenses
For the years ended 30 June 2023, 2024 & 2025

| | Budget 2022/2023 \$ | Budget 2023/2024 \$ | Budget 2024/2025 \$ |
|--|---------------------------|---------------------------|---------------------------|
| Revenue | | | |
| Contract Income | 1,031,197 | 1,028,485 | 1,230,000 |
| Landfill Income | 816,587 | 847,714 | 850,000 |
| Resource Recovery Centre | 154,300 | 131,000 | 160,000 |
| 3 Waters Recovery | 24,000 | 21,500 | 21,500 |
| Other Revenue | 24,000 | 24,000 | 24,000 |
| Wage Subsidy | 0 | - | - |
| Interest Income | 0 | - | - |
| Total Revenue | 2,050,084 | 2,052,699 | 2,285,500 |
| Expenditure | | | |
| Direct Costs | 600,026 | 615,350 | 612,346 |
| Operating Expenses | 307,781 | 294,202 | 298,183 |
| Finance Costs | 986 | 986 | 2,000 |
| Depreciation | 144,000 | 144,000 | 144,000 |
| Loss / (Gain) on disposal of Property, Plant and Equipment | 0 | - | - |
| Wages | 1,015,260 | 1,015,260 | 1,215,000 |
| Total Operating Expenditure | 2,068,053 | 2,069,798 | 2,271,529 |
| Operating surplus / (deficit) before Tax | (17,969) | (17,099) | 13,971 |
| Income Tax | | | |
| Income tax for the year | 0 | 0 | 3,912 |
| Net Surplus/ (deficit) after Tax | (17,969) | (17,099) | 10,059 |
| Total comprehensive surplus/ (deficit) after tax | (17,969) | (17,099) | 10,059 |

The accompanying notes and accounting policies form part of the prospective financial statements

Innovative Waste Kaikoura Ltd

Prospective Statement of Changes in Net Assets/Equity

For the years ended 30 June 2023, 2024 & 2025

| | Budget 2022/2023 \$ | Budget 2023/2024 \$ | Budget 2024/2025 \$ |
|---|---------------------------|---------------------------|---------------------------|
| Equity at Start of Year | | | |
| Opening Balance | 971,390 | 953,421 | 936,322 |
| Total Comprehensive Revenue and Expense | (17,969) | (17,099) | 10,059 |
| Equity at End of Year | 953,421 | 936,322 | 946,381 |

Innovative Waste Kaikoura Ltd
 Prospective Statement of Financial Position
 As at 30 June 2023, 2024 & 2025

| | Budget 2022/2023 \$ | Budget 2023/2024 \$ | Budget 2024/2025 \$ |
|--------------------------------------|---------------------------|---------------------------|---------------------------|
| Assets | | | |
| Current Assets | | | |
| Cash & Cash Equivalents | 244,847 | 306,222 | 373,480 |
| Debtors & Other Receivables | 255,406 | 255,732 | 284,735 |
| Income Tax | 25,716 | 25,716 | 21,804 |
| Total Current Assets | 525,969 | 587,670 | 680,019 |
| Non-Current Assets | | | |
| Property, Plant & Equipment | 788,809 | 672,994 | 578,758 |
| Deferred Tax Asset | 7,392 | 7,392 | 7,392 |
| Total Non-Current Assets | 796,201 | 680,386 | 586,150 |
| Total Assets | 1,322,170 | 1,268,056 | 1,266,169 |
| Liabilities | | | |
| Current Liabilities | | | |
| Trade & Other Payables | 108,763 | 112,451 | 115,275 |
| Employee Benefit Liabilities | 156,430 | 156,430 | 156,430 |
| Income Tax | | | |
| Loans | 55,000 | 35,000 | 15,000 |
| GST | 28,554 | 27,849 | 33,080 |
| Total Current Liabilities | 348,747 | 331,730 | 319,785 |
| Non-Current Liabilities | | | |
| Deferred Tax Liability | - | - | - |
| Total Non-Current Liabilities | 0 | 0 | 0 |
| Total Liabilities | 348,747 | 331,730 | 319,785 |
| Net Assets | 973,423 | 936,326 | 946,384 |
| Equity | | | |
| Share Capital | 100 | 100 | 100 |
| Retained Earnings | 953,321 | 936,226 | 946,284 |
| Total Equity | 953,421 | 936,326 | 946,384 |

Innovative Waste Kaikoura Ltd
 Prospective Statement of Cash Flows
 For the years ended 30 June 2023, 2024 &

| | Budget 2022/2023 \$ | Budget 2023/2024 \$ | Budget 2024/2025 \$ |
|---|---------------------------|---------------------------|---------------------------|
| Cash Flows from Operating | | | |
| Cash was provided from | | | |
| Receipts from customers | 2,310,512 | 2,360,278 | 2,599,322 |
| Interest Received | - | - | - |
| MSD Wage Subsidy | - | - | - |
| Total Cash was provided from | 2,310,512 | 2,360,278 | 2,599,322 |
| Cash was applied to | | | |
| Payments to suppliers and employees | - 2,096,730 | - 2,091,103 | - 2,318,813 |
| Interest paid | - | - | - |
| Net GST | - 180,942 | - 167,801 | - 193,250 |
| Income Tax Paid | - | - | - |
| Total Cash was applied to | (2,277,672) | (2,258,904) | (2,512,063) |
| Total Cash Flows from Operating | 32,840 | 101,374 | 87,259 |
| Cash Flows from Investing | | | |
| Cash was provided from | | | |
| Receipts from sale of property, plant and equipment | - | - | - |
| Total Cash was provided from | 0 | 0 | 0 |
| Cash was applied to | | | |
| Payments to acquire property, plant and equipment | - | - | - |
| Total Cash was applied to | 0 | 0 | 0 |
| Total Cash Flows from Investing | 0 | 0 | 0 |
| Cash Flows from Financing | | | |
| Cash was provided from | | | |
| Proceeds from loans borrowed from other parties | - | - | - |
| Total Cash was provided from | 0 | 0 | 0 |
| Cash was applied to | | | |
| Repayments of loans borrowed from other parties | (20,000) | (20,000) | (20,000) |
| Total Cash was applied to | (20,000) | (20,000) | (20,000) |
| Total Cash Flows from Financing | (20,000) | (20,000) | (20,000) |
| Net Increase/ (Decrease) in Cash | 12,840 | 81,374 | 67,259 |
| Cash Balances | | | |
| Cash and cash equivalents at beginning of period | 212,007 | 224,847 | 306,221 |
| Cash and cash equivalents at end of period | 224,847 | 306,221 | 373,480 |
| Net change in cash for period | 12,840 | 81,374 | 67,259 |

Notes to the Prospective Financial Statements

Statement of Accounting Policies

Reporting Entity

Innovative Waste Kaikoura Limited ("the Company") is a company incorporated in New Zealand registered under the Companies Act 1993. The company is wholly owned by Kaikoura Enhancement Trust, a subsidiary of Kaikoura District Council, therefore the company is a council controlled organisation as defined in section 6 of the Local Government Act 2002.

Innovative Waste Kaikoura Limited is engaged in the business of operation of Kaikoura resource recovery centre & landfill. The company secured a three year contract in July 2020 (with rights of renewal) to provide contractual maintenance services in Kaikoura to the Council for the storm water, wastewater

The prospective financial statements have been prepared on the going concern basis, and the accounting policies have been applied on a consistent basis throughout the periods.

Statement of Compliance

Measurement Base

The financial statements of Innovative Waste Kaikoura Limited have been prepared on an historical cost basis, except as noted otherwise below. The statements have been prepared on the going concern basis and the accounting policies have been applied consistently throughout the period.

Statement of Accounting Policies

Changes in Accounting Policies

There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period.

Significant Accounting Policies

In the preparation of these financial statements, the specific accounting policies are as follows:

Revenue

Revenue is measured at the fair value of consideration received.

Grants

Council, government and non-government grants are recognised as revenue when they become receivable unless there is an obligation to return the funds if conditions of the grant are not met. If there is such an obligation the grants are initially recorded as grants received in advance, and recognised as revenue when conditions of the grant are satisfied.

Other Revenue

Products held for sale are recognised when a product is sold to the customer. Sales are usually in cash or by credit card. The recorded revenue is the gross amount of the sale, including credit card fees payable for the transaction. Such fees are included in gate expenses.

Where a physical asset is donated or vested in the company for nil or nominal consideration the fair value of the asset received is recognised as revenue. Assets vested in the company are recognised as revenue when control over the asset is obtained.

Volunteer services received are not recognised as revenue or expenditure as the company is unable to reliably measure the fair value of the services received.

Interest income is recognised using the effective interest method.

Revenue from a contract to provide services is recognised by reference to stage of completion of the contract at year end balance date.

Property, Plant & Equipment

The entity has the following classes of Property, Plant & Equipment. Depreciation is calculated using the straight line basis, apart from site development,

| Asset type | 2022 (%) |
|-------------------|------------------|
| Buildings | 2.0% - 22.65% SL |
| Motor vehicles | 6.5% - 13.5% SL |
| Office equipment | 6.5% - 67.0% SL |
| Plant & equipment | 4.0% - 33.0% SL |

All property & equipment is stated at cost less depreciation and impairment, except for land that is not depreciated.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the company and the cost of the item can be measured reliably.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the surplus or deficit.

Subsequent Costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with

Impairment

Assets with a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the company would, if deprived of the asset, replace its remaining future economic benefits or service potential. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of an asset is reduced to its recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment is recognised in surplus or deficit.

Goods and Services Tax

These financial statements have been prepared on a GST exclusive basis with the exception of accounts receivable and accounts payable which are shown inclusive of GST. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net GST paid to, or received from the Inland Revenue, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

Income Tax

Income tax expense in relation to the surplus or deficit for the period comprises current tax and deferred tax. Current tax is the amount of income tax payable based on the taxable surplus for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using rates that have been enacted or substantively enacted by balance date.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable surpluses will be available against which the deductible temporary differences or tax losses can be utilised.

Leases

Operating Leases

Operating leases are those which all the risks and benefits are substantially retained by the lessor. Operating lease payments are expensed in the periods the amounts are payable.

Lease incentives received are recognised in the surplus or deficit over the lease term as an integral part of the total lease expense.

Cash and Cash Equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less plus bank overdrafts. Bank overdrafts are shown on the balance sheet as current liabilities within short term borrowings.

Receivables

Trade and other receivables are recorded at their fair value less any provision for impairment.

A provision for impairment of receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the effective interest method.

Financial Assets

Financial assets are initially recognised at fair value on the trade date, which includes transaction costs when the contractual rights or obligations exist. After initial recognition, financial instruments are measured as set out below:

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition they are measured at amortised cost using the effective interest method.

Impairments

The company assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. Impairment losses are recognised in the surplus or deficit. Impairment is established when there is evidence that the company will not be able to collect amounts due according to the original terms.

De-recognition of Financial Instruments

The de-recognition of a financial instrument takes place when the company sells the instrument, or all cash flows attributable to the instrument are passed to an independent third party.

Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the present value of the expenditure expected using an appropriate discount rate.

Employee Entitlements

A liability for holiday pay entitlements is recognised in the balance sheet.

Where the payment is expected to be longer than 12 months of balance date, the liability is recorded at its present value. Where the payment is expected to be less than 12 months, the provision is the amount expected to be paid.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months.

Finance Costs

Finance costs are recognised as an expense in the period in which they are incurred.

Creditors and Other Payables

Short-term creditors and other payables are recorded at their face value.

Borrowings

Borrowings are initially recognised at their fair value plus transaction costs. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after balance date. Borrowings where the company has an unconditional right to defer settlement of the liability for at least 12 months after balance date are classified as non-current liabilities.

Public Benefit Entity Prospective Financial Statements (PBE FRS 42)

Innovative Waste Kaikoura Limited has complied with PBE FRS 42 in the preparation of these prospective financial statements. In accordance with PBE FRS 42, the following information is provided:

(i) Description of the nature of the entity's current operation and its principal activities

The Company is a Council Controlled Organisation, as defined in the Local Government Act 2002. The Companies principal activities are outlined within this Statement of Intent.

(ii) Purpose for which the prospective financial statements are prepared

It is a requirement of the Local Government Act 2002 to present prospective financial statements that cover 3 years and include them within the Statement of Intent. The purpose of the Statement of Intent is to state publicly the activities and intentions of The Company for the year and the objectives to which these activities will contribute. Prospective financial statements are revised annually to reflect updated assumptions and costs.

(iii) Bases for assumptions, risks and uncertainties

The financial information has been prepared on the basis of best estimate assumptions as the future events which the Company expects to take place. The Company has considered factors that may lead to a material difference between information in the prospective financial statements and actual results. These factors, and the assumptions made in relation to the sources of uncertainty and potential effect, are outlined within this Statement of Intent.

(iv) Cautionary Note

The financial information is prospective. Actual results are likely to vary from the information presented, and the variations may be material.

(iv) Other Disclosures

The draft prospective financial statements have been delivered to the Board on 29 June 2023. The Company is responsible for the prospective financial statements presented, including the assumptions underlying prospective financial statements and all other disclosures.

Appendix Two

IWK Responsibilities – Contributions to Reporting Against Non-Financial Performance Measures Rules 2013

(in accordance with section 261B of the Local Government Act 2002)

IWK shall have reporting responsibilities in respect of the fault response time reporting requirements of section 3 of Sub-part 1 of Part 2, and section 3 of Sub-part 2 of Part 2 of the Rules (see attached Appendix) as follows (in italics):

To record, in a spreadsheet provided and maintained by IWK, the dates and times at which IWK staff are notified, attend the site and confirm resolution of any and all matters in the categories described in these sections, that originate from the sources below:

1. KDC Customer Service Request (CSR) system.

For notifications received by IWK through Council's CSR system the notification dates and times for both IWK and KDC will be considered to be that at which the CSR is entered, saved and sent to IWK.

2. SCADA System.

The notification time will be that of the SCADA generated fault report.

3. Direct notification of IWK staff

Such notifications may come from the public or Council staff, by phone, email or any other means.

Where a KDC staff member needs to directly notify an IWK staff member without going through the CSR system (for example if the KDC staff member becomes aware of an issue requiring attention outside of Council working hours) the KDC staff member shall do so immediately upon becoming aware of the issue, and hence the notification date and time for Council will also be considered to be the same as that recorded by IWK on receipt of the notification.

The recording responsibilities above shall only apply to matters that fall into the category of 'faults or unplanned interruptions', responses to which are clearly necessary to maintain the planned level of service. Requests for investigations or improvements that are not immediately required to maintain essential functionality, or complaints that do not relate to current well defined service faults or interruptions shall not fall into this category.

In regard to the customer satisfaction reporting requirements of section 4 of Sub-part 1 of Part 2, and section 4 of Sub-part 2 of Part 2 of the Rules (see attached Appendix), the responsibilities of IWK shall be as follows (in italics):

To ask any parties raising issues with IWK relating to the matters in these sections whether they are making a complaint regarding that matter, if they have not already made it clear that the nature of the issue raised is a complaint, rather than just a request for service.

Where a party makes a complaint to IWK relating to any of the matters in these sections IWK shall provide details of the complaint in writing to Council's 3 Waters Engineer or advise the complainant to direct their complaint to the Engineer, so that Council can maintain a single register of all complaints received.

All other responsibilities in respect of the reporting requirements of the Non-Financial Performance Measures Rules 2013 shall lie with Kaikōura District Council.

NON-FINANCIAL PERFORMANCE MEASURES RULES 2013

Pursuant to and in accordance with section 261B of the Local Government Act 2002, the Secretary for Local Government makes the following rules.

RULES

Part 1 – Measurement Period

Any calculation, measure, number or percentage set out in Part 2 of these Rules must be calculated for a financial year (unless otherwise specified in these Rules).

Part 2 – Performance Measures

Sub-part 1 - Water supply

1. Performance measure 3 (fault response times)

Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured:

- (a) attendance for urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site (target < 2 hours), and
- (b) resolution of urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption (target < 12 hours).
- (c) attendance for non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site (target < 48 hours), and
- (d) resolution of non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption (target < 7 days).

2. Performance measure 4 (customer satisfaction)

The total number of complaints received by the local authority about any of the following:

- (a) drinking water clarity
- (b) drinking water taste
- (c) drinking water odour
- (d) drinking water pressure or flow
- (e) continuity of supply, and
- (f) the local authority's response to any of these issues

expressed per 1000 connections to the local authority's networked reticulation system (target no more than 18 complaints in total per 1000 connections).

Sub-part 2 – Sewerage and the treatment and disposal of sewage

3. Performance measure 3 (fault response times)

Where the territorial authority attends to sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system, the following median response times measured:

- (b) attendance time: from the time that the territorial authority receives notification to the time that service personnel reach the site (target < 1 hour), and
- (c) resolution time: from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault (target < 24 hours).

4. Performance measure 4 (customer satisfaction)

The total number of complaints received by the territorial authority about any of the following:

- (a) sewage odour
- (b) sewerage system faults
- (c) sewerage system blockages, and
- (d) the territorial authority's response to issues with its sewerage system,

expressed per 1000 connections to the territorial authority's sewerage system (target less than 21 complaints about these issues in total per 1000 connections).

Sub-part 3 – Stormwater drainage

Performance measure 1 (system adequacy)

- (d) The number of flooding events that occur in a territorial authority district (target zero).
- (e) For each flooding event, the number of habitable floors affected, expressed per 1000 properties connected to the territorial authority's stormwater system (target < 3).

5. **Performance measure 3 (response times)**

The median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site (target < 1 hour).

6. **Performance measure 4 (customer satisfaction)**

The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1000 properties connected to the territorial authority's stormwater system (target < 3).

Interpretation

In these rules, unless the context otherwise requires, -

drinking water has the same meaning as in section 69G of the Health Act 1956

drinking-water supply has the same meaning as in section 69G of the Health Act 1956

drinking-water standards means —

- (a) standards issued or adopted under section 69O of the Health Act 1956; or
- (b) if section 14(5) of the Health (Drinking Water) Amendment Act 2007 applies, the *Drinking-Water Standards for New Zealand 2000*

dry weather sewerage overflow means sewage that escapes a territorial authority's sewerage system and enters the environment during periods of dry weather

financial year means a period of 12 months ending on 30 June

flooding event means an overflow of stormwater from a territorial authority's stormwater system that enters a habitable floor

habitable floor means a floor of a building (including a basement) but does not include ancillary structures such as stand-alone garden sheds or garages

sewerage overflow means sewage that escapes a territorial authority's sewerage system and enters the environment

sewerage system means the pipes and infrastructure that collect, convey, pump and treat sewerage and other liquid wastes from the point of connection to a treatment facility, including single purpose or combined sewers

stormwater system means the pipes and infrastructure (excluding roads) that collect and manage rainwater run-off from the point of connection to the point of discharge

territorial authority means a city council or a district council named in Part 2 of Schedule 2 to the Local Government Act 2002

urgent means (for water) service failure, supply fault or contamination, and (for wastewater) sewage overflows.

| | |
|---------------------------|---|
| Report to: | Council |
| Date: | 26 July 2023 |
| Subject: | Audit NZ Report to the Council on the audit for the years ended 30 June 2021 & 2022 |
| Prepared by: | P Kearney – Senior Manager Corporate Services |
| Input sought from: | S Poulsen – Finance Manager |
| Authorised by: | W Doughty - Chief Executive |

1. PURPOSE

The purpose of this report is to present the Report to Council from Audit New Zealand for the two financial years (2021 and 2022).

Attachment A: Report to the Council on the audit of Kaikōura District Council for the years ended 30 June 2021 and 2022 (“the Report”)

2. RECOMMENDATION

It is recommended that the Council receives this report for information.

3. SUMMARY

3.1 Modified Audit Opinion for both years

The Report includes:

- i) a qualified ‘except for’ opinion relating to changes in fair value of Councils land, buildings and infrastructure assets which impacted 2020/21
- ii) a qualified ‘except for’ opinion relating to the carrying value of land, buildings, infrastructure assets, depreciation and asset revaluation in the year 2021/22
- iii) a qualified opinion on the Statement of Service Provision due to the reporting of Councils non-financial performance measures across both periods
- iv) notification regarding the delay in completing the audit referencing the auditor shortage across New Zealand as well as effects of Covid-19 and associated lockdowns
- v) confirmation that the financial statements were free of any material misstatements or omissions

3.2 Recommendations

Of the 24 recommendations within the report:

- i) Two recommendations were identified as urgent. The first relates to improving reporting against service request performance measures (namely service request response/resolution timeframes and complaints from all sources). This recommendation has been outstanding since 2018/2019. The second recommendation is to ensure fees & charges set per the Annual Plan are set up correctly in Council systems.
- ii) A further four have been identified as necessary, including;
 - a. Timing of reporting of KDC CCO information e.g. Statement of Intent, Annual Report etc,
 - b. Implementation of quarterly non-financial service reporting
 - c. Review of the sensitive expenditure policy
 - d. Bank reconciliation reviews and preparation
- iii) 15 past recommendations have been implemented and closed
- iv) 3 remaining recommendations have either been resolved immediately, or management accepts the risk.

Overall KDC Management is satisfied with the content of the Audit Management Report and work to address the open recommendations is underway.

4. FINANCIAL IMPLICATIONS AND RISKS

The Audit Management Report is an to aid prudent financial stewardship and improving financial and non-financial performance reporting for Audit purposes in order that the community has trust in our Annual Report.

5. COMMUNITY OUTCOMES SUPPORTED

The work is in support of all community outcomes.



Community

We communicate, engage and inform our community



Development

We promote and support the development of our economy



Services

Our services and infrastructure are cost effective, efficient and fit-for-purpose



Environment

We value and protect our environment



Future

We work with our community and our partners to create a better place for future generations

6. SIGNIFICANCE OF DECISION

This decision is not considered significant in terms of Council's Significance and Engagement Policy.

7. RELEVANT LEGISLATION

The Local Government Act 2002 states that a local authority should ensure prudent stewardship and the efficient and effective use of its resources in the interests of its district or region.

8. COMMUNITY VIEWS

No community views were sought in relation to this report.

Report to the Council on the audit of

Kaikōura District Council

For the years ended 30 June 2021 and 2022

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Key messages

Our audits for the years ended 30 June 2021 and 2022 involved ensuring that the Kaikōura District Council's (the District Council) results were fairly reflected in its financial statements, with specific attention paid to the matters that were outlined in our audit plan at the beginning of the audits and any new issues identified. In this report we discuss our findings in relation to these matters which are significant to the Council.

Due to delays in completing the audit for the 30 June 2021 financial year and the limited time available to management to address recommendations raised during the audit, a combined Report to the Council has been prepared for the years ended 30 June 2021 and 2022.

Audit opinions

We issued a modified audit opinion for the year ended 30 June 2021, dated 25 May 2022.

Our audit report included a qualified 'except for' opinion in respect of the District Council's land and buildings, and infrastructure assets as there were indications of a material change in the fair value of the revalued assets at balance sheet date. A qualified opinion on the statement of service provision was issued due to the inability of the District Council to accurately report its non-financial performance measures for the year ended 30 June 2021.

We issued a modified audit opinion for the years ended 30 June 2022, dated 29 March 2023.

Our audit report included a qualified 'except for' opinion in respect of the comparative year carrying value of land and buildings, and infrastructure assets and depreciation expense and asset revaluation movement in the current year. A qualified opinion on the statement of service provision was issued due to the inability of the District Council to accurately report its non-financial performance measures for the years ended 30 June 2021 and 30 June 2022.

Without further modifying our opinions, the audit reports included a paragraph referring to our audit being completed late, referencing the auditor shortage in New Zealand and the consequential effects of Covid-19, including lockdowns. In addition, a paragraph regarding the Government's three waters programme that will introduce legislation to establish four publicly owned water services entities to take over responsibilities for service delivery and infrastructure from local authorities from 1 July 2024, was also included. The impact of these reforms, once legislated, will mean that the District Council will no longer deliver three waters services.

Matters identified during the audits

Our audit plans outlined the key matters identified for the audits. We have detailed the nature of these matters in section 3 of the report and the results from our procedures to address these.

Prior year outstanding recommendations

We acknowledge the steps taken by management to address the prior year recommendations. The prior year recommendations are summarised in section 1.2 and Appendix 1.

Thank you

We would like to thank the District Council, management and staff for the assistance received during the audits.

A handwritten signature in black ink, appearing to read 'Dereck Ollsson', written in a cursive style.

Dereck Ollsson
Appointed Auditor
4 July 2023

1 Recommendations



Our recommendations for improvement and their priority are based on our assessment of how far short current practice is from a standard that is appropriate for the size, nature, and complexity of your business. We use the following priority ratings for our recommended improvements.

| Explanation | Priority |
|---|------------|
| <p>Needs to be addressed <i>urgently</i></p> <p>These recommendations relate to a significant deficiency that exposes the District Council to significant risk or for any other reason need to be addressed without delay.</p> | Urgent |
| <p>Address at the earliest reasonable opportunity, <i>generally within six months</i></p> <p>These recommendations relate to deficiencies that need to be addressed to meet expected standards of best practice. These include any control weakness that could undermine the system of internal control.</p> | Necessary |
| <p>Address, <i>generally within six to 12 months</i></p> <p>These recommendations relate to areas where the District Council is falling short of best practice. In our view it is beneficial for management to address these, provided the benefits outweigh the costs.</p> | Beneficial |

1.1 New recommendations

The following table summarises our recommendations and their priority.

| Recommendation | Reference | Priority |
|---|-----------|-----------|
| Valuation process and base data improvements required | 5.3 | Necessary |
| Accounts payable masterfile access should be limited | 5.4 | Necessary |

1.2 Status of previous recommendations

Set out below is a summary of the action taken against previous recommendations. Appendix 1 sets out the status of previous recommendations in detail.

| Priority | Priority | | | |
|--|----------|-----------|------------|-----------|
| | Urgent | Necessary | Beneficial | Total |
| Open recommendations | 2 | 4 | – | 6 |
| Implemented or closed recommendations | 1 | 12 | 2 | 15 |
| Recommendations verbally discussed with management | – | 1 | – | 1 |
| Recommendations where management has accepted the risk | – | 2 | – | 2 |
| Total | 3 | 19 | 2 | 24 |

2 Our audit reports

We issued modified audit reports



We issued modified audit reports on 25 May 2022 and 29 March 2023 for the years ended 30 June 2021 and 30 June 2022, respectively.

Our audit report was qualified in respect of the Council's land and buildings, and infrastructure assets as there were indications of a material change in the fair value of the revalued assets at 30 June 2021. This resulted in a modified audit opinion for the year ended 30 June 2022 on the comparative balance for revalued assets, and the depreciation expense and asset revaluation reserve movement for the year ended 30 June 2022.

The current and comparative balances relating to the Statement of Service Provision (reported as Council Activities) were qualified in both years as the Council was not able to accurately report on just over a quarter of the performance measures for the year ended 30 June 2022, and just under a half of the measures for the year ended 30 June 2021.

Without further modifying our opinions, the audit reports included a paragraph referring to our audit being completed late, referencing the auditor shortage in New Zealand and the consequential effects of Covid-19, including lockdowns. As well as a paragraph regarding the Government's three waters programme that will introduce legislation to establish four publicly owned water services entities to take over responsibilities for service delivery and infrastructure from local authorities from 1 July 2024. The impact of these reforms, once legislated, will mean that the District Council will no longer deliver three waters services.

In forming our audit opinion, we considered the matters documented below and those included in sections 3, 4 and 5.

2.1 Financial statements qualification

Prior to the revaluation conducted on 30 June 2022, the District Council last revalued their infrastructure assets at 1 July 2020 and land and buildings assets at 30 June 2019, using an indexed approach. The valuation method used for the revaluation of infrastructure assets at 1 July 2020 did not use recent contract rates. There were indications of a material change in the carrying values, of revalued assets, recorded at 30 June 2021. As a result, we were unable to obtain sufficient audit evidence to support the carrying amount of the assets held at fair value.

The District Council revalued its infrastructure assets, and land and buildings assets at 30 June 2022. The infrastructure valuation was performed by Council staff and peer reviewed by WSP Limited. The land and buildings valuations were performed by Quotable Value New Zealand. We obtained sufficient audit evidence to support the carrying value of these assets at 30 June 2022. However, a qualified opinion was issued for the comparative carrying values, current year depreciation expense and current year asset revaluation

reserve movements because these are based, at least in part, on the carrying values at 30 June 2021.

2.2 Statement of service provision qualification

In previous years, the District Council's performance information reporting has been affected by the continued impact of the earthquake and the introduction of a new customer service request system. The District Council is progressing the implementation of systems and processes to accurately report on several performance measures, but these were not sufficiently reliable for the reporting of service performance for the years ended 30 June 2021 and 30 June 2022. Council reported performance for just under half of the performance measures (30 June 2021) and just over a quarter of the performance measures (30 June 2022), is either not available or incomplete.

We have been unable to obtain sufficient appropriate evidence over the reported performance against these performance measures. As a result, we issued a qualification on the statement of service provision for the years ended 30 June 2021 and 30 June 2022.

2.3 Uncorrected misstatements

Besides the items indicated above in the qualification, the financial statements are free from material misstatements, including omissions. During the audit, we have discussed with management any misstatements that we found, other than those which were clearly trivial. There were no uncorrected misstatements for the year ending 30 June 2021.

The misstatements that have not been corrected for the year ending 30 June 2022 are listed below. We are satisfied that these misstatements are individually and collectively immaterial.

| Current year uncorrected misstatements | Reference | Assets | Liabilities | Equity | Financial performance |
|--|-----------|---------------|------------------|----------|-----------------------|
| | | Dr (Cr) | Dr (Cr) | Dr (Cr) | Dr (Cr) |
| Footpaths (asset) Footpath maintenance | 1 | 58,000 | | | (58,000) |
| Impairment (P&L) Provision for impairment | 2 | | (108,000) | | 108,000 |
| Total Council | | 58,000 | (108,000) | – | 50,000 |
| Total Group | | 58,000 | (108,000) | – | 50,000 |

Explanation of uncorrected misstatements

- 1 Work undertaken on the footpaths was capital in nature but incorrectly coded as maintenance.

- 2 Our review of accounts receivable noted a significant debtor which we believe should be impaired at 30 June 2022. The District Council has previously impaired and subsequently written off disputed invoices and it is our view that based on this previous experience the current balance should be impaired as well. Management considers the current balance is not impaired and will be collected in full. We will review the status of outstanding invoices for this debtor during the audit for the year ending 30 June 2023.

2.4 Corrected misstatements and corrected disclosure deficiencies

During the audit, we discussed with management misstatements that we identified, other than those which were clearly trivial. The corrected misstatements are listed in Appendix 2, along with corrected disclosure deficiencies, and corrected service performance misstatements.

2.5 Quality and timeliness of information provided for audit



We would like to thank Sheryl Poulsen (Finance Manager) and Cherie Kaa (Management Accountant), as well as the entire finance team and all others involved in the audit for their assistance provided throughout the audits.

The draft financial statements and performance information was available at the commencement of the audit and from our perspective the implementation and use of the AuditDashboard file sharing system was successful and helped with the remote audit of the District Council.

3 Matters raised in the Audit Plan



In our Audit Plan for the years ended 30 June 2021 and 30 June 2022, dated 9 November 2021 and 3 February 2023 respectively, we identified the following matters as the main audit risks and issues.

| Audit risk/issue | Outcome |
|---|--|
| The risk of management override of internal controls | |
| <p>There is an inherent risk in every organisation of fraud resulting from management override of internal controls. Management are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Auditing standards require us to treat this as a risk on every audit.</p> | <p>To address this risk, during the audits we:</p> <ul style="list-style-type: none"> • tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements; • reviewed audit estimates for bias and evaluated if there was any risk of material misstatement due to fraud from bias; and • evaluated the business rationale of any significant transactions that were outside the normal course of business, or that otherwise appeared to be unusual given our understanding of the Council. <p>We found no indications of management override that would result in a material misstatement in the financial statements, due to fraud.</p> |
| Statement of service provision | |
| <p>We issued a qualified audit opinion on the statement of service provision in previous years. This was because the District Council’s performance information reporting was affected by the continued impact of the earthquake and the introduction of a new customer service request system. Therefore, the District Council had not been able to report its performance measures accurately.</p> <p>The Council has started addressing previous weaknesses and gathering relevant data.</p> | <p>The District Council’s monitoring and reporting of its performance against the performance targets, have not been fully restored since the earthquake.</p> <p>The newly implemented customer service request system has not been able to capture all required data for performance measures reported in the annual report. Therefore, the District Council has not been able to report its performance measures accurately and completely.</p> <p>As explained in section 2.2, our audit report is modified in this respect.</p> |

| Audit risk/issue | Outcome |
|---|---|
| | <p>The roading traffic count was not performed for the reporting of the road smoothness measure hindering reporting on this performance measure.</p> <p>For the remaining measures, determined as material, we are satisfied that there are sufficient internal controls and processes in place to accurately report the performance results.</p> <p>Appendix 1 includes recommendations in respect to the District Council’s monitoring systems and controls related to performance reporting.</p> |
| Carrying values of property, plant and equipment | |
| <p>The Council must assess the carrying values of asset classes, which are revalued, periodically. The assessment must compare the fair value for each asset class to the carrying value to determine whether there is a material difference. If a material difference is identified, the asset class will need to be revalued.</p> <p>For assets carried at cost, the Council must assess these assets for indicators of impairment. When indicators are identified, a formal impairment assessment should be completed.</p> | <p>We reviewed the Council’s carrying value assessments and impairment assessments. Our review focused on the following:</p> <ul style="list-style-type: none"> • Obtaining an understanding of the process to compile the assessments, including the completeness and accuracy of the underlying data. • Assessing the significant assumptions for reasonableness. • Reviewing the assessments for appropriateness of methodology and compliance with accounting standards; and • Confirming the appropriateness and accuracy of disclosures, and their compliance with accounting standards. <p>We concluded that there was a material movement in the fair value of assets at 30 June 2021 and as explained in section 2.1, our audit report, for the year ended 30 June 2021 is modified in this respect. This resulted in a modified audit opinion for the year ended 30 June 2022 on the comparative balance for revalued assets, and the depreciation expense and asset revaluation reserve movement for the year ended 30 June 2022.</p> <p>For assets carried at cost, no indicators of impairment were identified at 30 June 2021 nor 2022.</p> |

| | |
|---|--|
| <p>The District Council revalued its assets, comprising operational land and buildings and its infrastructure assets at 1 July 2020 and 30 June 2022.</p> <p>PBE IPSAS 17, <i>Property, Plant and Equipment</i>, requires that valuations are conducted with sufficient regularity to ensure that the carrying value does not differ materially from the fair value.</p> <p>Due to the judgemental nature of the revaluation, there is a risk of bias or error in the assumptions used. Due to the nature and value of the revaluations any bias or errors in the assumptions used or calculations performed could result in a material misstatement in the value of assets being revalued.</p> | <p>The District Council revalued its three waters (wastewater, stormwater, and water supply) and roading asset classes at 1 July 2020 and 30 June 2022.</p> <p>We performed the following:</p> <ul style="list-style-type: none"> • We reviewed the valuation including the underlying source data collection, valuation methodology and reasonableness of assumptions. We assessed that it complied with the relevant valuation and accounting standards. • We evaluated the qualifications, competence and expertise of the external Peer Reviewer used. • We confirmed that any fair value movements were accounted for correctly. • We verified that all the assets in the class have been revalued. <p>A key focus of our review was on the unit rates applied which establishes the increase or decrease in construction costs. We found that the 1 July 2020 rates were not supported by recent contracts entered into by the District Council or information from developers in the region but were based on market indices. We were not satisfied that the units rates applied were sufficiently robust for inclusion in the valuation. With the revaluation being undertaken at the beginning of the year, market indicators changed significantly over the year to 30 June 2021, and we concluded that there was a material movement in the fair value of assets at year end. As explained in section 2.1, our audit report is modified in this respect. This has a corresponding effect on the comparative figures reported in the annual report for 30 June 2022.</p> <p>Our review of the infrastructure assets and land and buildings valuation at 30 June 2022 found the carrying value of these assets were fairly reflected in the financial statements at balance date.</p> |
|---|--|

| Audit risk/issue | Outcome |
|---|--|
| | Recommendations for consideration in future revaluations undertaken by the District Council are included in section 5.3. |
| Inland road handover and valuation | |
| <p>Repairs to the Inland Road were completed and the road was handed back to Council from 1 February 2021.</p> <p>The Council needs to consider the accounting treatment for the road including:</p> <ul style="list-style-type: none"> • review of the revenue resulting from the transfer of the road to Council; and • review of capital expenditure and operating expenditure relating to the road. | <p>In February 2021, the ownership of the Inland Road was transferred back to the District Council from Waka Kotahi (New Zealand Transport Agency). The District Council engaged WSP Limited to oversee the project of all new assets which were constructed whilst the road was owned by Waka Kotahi.</p> <p>This resulted in \$3.2 million of asset improvements being transferred back to Council.</p> <p>We reviewed the accounting for the Inland Road and confirmed that it complies with relevant accounting standards. We also confirmed that the District Council recorded the new assets as property, plant and equipment, and vested asset revenue in the financial statements.</p> <p>Overall, we concluded that the disclosures and amounts recognised were fairly presented in accordance with accounting standards.</p> |
| Grant Funding from Provincial Growth Fund and Three Waters Reform Stimulus | |
| <p>Council has agreements in place for \$10.88 million of PGF funding and \$1.88 million of Three Waters Reform funding.</p> <p>Projects funded through these Central Government funding agreements include the Wakatu Quay Development, the South Bay feasibility study and several water and wastewater improvement projects.</p> <p>These projects will be progressing through different stages and are subject to different contractual requirements.</p> | <p>We reviewed the status of projects funded via central government funding agreements.</p> <p>We confirmed that revenue, deferred revenue, and expenditure have been appropriately accounted for in accordance with relevant accounting standards.</p> <p>Appropriate disclosures have also been made throughout the Council Activities statement in relation to the approved funding going forward.</p> <p>The District Council has appropriately recognised grant revenue in the annual report.</p> |

| Audit risk/issue | Outcome |
|---|---|
| Rates | |
| <p>Rates are the District Council’s primary funding source.</p> <p>Compliance with the Local Government (Rating) Act, 2002 (LGRA) with the setting and collection of rates is critical to ensure that rates are validly set and not at risk of legal challenge by the community. The Council should have appropriate processes in place to ensure this happens.</p> <p>Where issues or concerns arise, the District Council should seek legal advice, to ensure compliance with legislation for its rates and rating processes.</p> | <p>We assessed the compliance of the rates setting process against the LGRA including the consistency and completeness of the resolution and the Funding Impact Statement.</p> <p>There were no issues identified with the rates setting processes to report. The following tests were performed:</p> <ul style="list-style-type: none"> • We considered the District Council’s compliance with those key areas of the LGRA that would potentially materially impact on the financial statements. • We focused on those aspects of the rates setting process that presented the highest risk, namely the consistency and completeness of the resolution, and the Funding Impact Statement (FIS). • We reviewed a sample of differentially set and targeted rates to assess whether the matters and factors used, are consistent with the LGRA. |

4 Information technology general controls review

As part of our audits, we completed an information technology general controls review (ITGC). This review consisted of two parts. The first is a high-level assessment on IT Governance effectiveness. We considered the overall attitude, awareness, and actions of the Director of Technology and ICT Management in establishing and maintaining effective management procedures and internal controls.

We found IT Governance to be effective.

The second part is an assessment as to the design effectiveness and operation of Activity Level controls. These control areas cover the organisation’s ability to manage risk and include the following areas: Manage Security Services, Manage Changes, Change Acceptance and Transitioning, Manage Service Requests and Incidents, Manage Continuity, Manage Suppliers and Manage Availability and Capacity.

Our work includes the assessment of the design and operational effectiveness of activity level controls. A summary of the results from this testing is shown in the table below:

| Activity-level control processes | Design Effective/ineffective | Operational Effective/ineffective |
|---|------------------------------|-----------------------------------|
| Manage security services | Effective | Effective |
| Manage changes, change acceptance and transitioning | Effective | Effective |
| Manage service requests and incidents | Effective | Not tested |
| Manage continuity | Effective | Not tested |
| Manage availability and capacity | Effective | Not tested |

The status of our previous recommendation is included in Appendix 1.

5 Assessment of internal control



The District Council, with support from management, is responsible for the effective design, implementation, and maintenance of internal controls. During our audits, we considered the internal control relevant to preparing the financial statements and the service performance information. We reviewed internal controls relevant to the audits to design audit procedures that are appropriate in the circumstances. Our findings related to our normal audit work and may not include all weaknesses in internal controls.

5.1 Control environment

The control environment reflects the overall attitudes, awareness, and actions of those involved in decision-making in the organisation. It encompasses the attitude towards the development of accounting and performance estimates and its external reporting philosophy and is the context in which the accounting system and control procedures operate. Management, with the oversight of the District Council, need to establish and maintain a culture of honesty and ethical behaviour through implementation of policies, procedures, and monitoring controls. This provides the basis to ensure that the other components of internal control can be effective.

We performed a high-level assessment of the control environment, risk management process, and monitoring of controls relevant to financial and service performance reporting. We considered the overall attitude, awareness, and actions of the District Council and management to establish and maintain effective management procedures and internal controls.

No matters have come to our attention that we consider would affect the culture of honesty and ethical behaviour of Council. The elements of the control environment provide an appropriate foundation for other components of internal control.

5.2 Internal controls

Internal controls are the policies and processes that are designed to provide reasonable assurance as to the reliability and accuracy of financial and non-financial reporting. These internal controls are designed, implemented, and maintained by the Council and management.

We reviewed the internal controls, in your information systems and related business processes. This included the controls in place for your key financial and non-financial information systems.

We identified areas detailed below where we believe processes can be improved. We have also set out the status of internal control matters from previous years' reports to the Board in Appendix 1.

5.3 Infrastructure asset revaluation

Background

The Council performed an internal revaluation over its infrastructure assets at 1 July 2020. The valuation was based on indices to support the per unit asset values. We reviewed the valuation and assessed, with the understanding that indices alone do not accurately reflect asset unit rates, that the fair values reviewed at year end indicated that carrying values for land and buildings and infrastructure assets materially differed from the fair values.

A full revaluation of infrastructure assets was completed at 30 June 2022 to address the issues raised in the prior year. The valuations were completed by Council staff and Peer Reviewed by WSP.

Process recommendation

We encourage the Council to review the current valuation process and consider the efficiency and effectiveness of an independent valuer completing the valuation followed by a staff review.

The valuation process is a significant undertaking and requires a substantial commitment of staff time. The use of an independent valuer to complete the valuation would allow Council staff to focus on improving the source data for the valuation which is specific to the Council.

Council staff would also be in an improved position to complete a detailed review of the valuation when they have not been involved in calculation process.

Valuation recommendations

- 1 Three Waters asset quantities in the valuation report should be confirmed to the asset management systems for completeness.
- 2 Unit rates to be based on contractor costs/actual costs from recent contracts.
- 3 Recommendations from the peer reviewer, WSP, be implemented to improve the accuracy of future valuations and ensure that the assumptions, which are used, more aligned to the conditions in the district.

Listed below are the improvement recommendations from the Peer Reviewer, WSP:

- to maintain, develop and improve the asset component register; this includes:
 - Ensuring construction dates are applied to those components of large value, as the construction date input is one of the most sensitive inputs to the valuation system. Where default dates are being used, these need to be of a realistic nature.

- Where assets are replaced or upgraded, these changes must also be accurately recorded in the relevant asset tables.
- Keep record of capital expenditure and maintenance contracts to allow for unit rate reassessment in future valuations.
- Continue to review asset lives by material type in conjunction with condition assessment to assess whether asset lives are appropriate.
- Develop a plan to undertake random sample checks of asset data.

Recommendation

Additional audit effort was required to review the accounting entries for the infrastructure assets and land and buildings valuations. The accounting entries are time consuming and not routine in nature. Supporting documentation retained for the accounting entries did not allow for an efficient review of the accounting entries. Errors were identified in the journal entries which required amendment to multiple areas within the annual report.

The Council has previously accepted the risk of journals not being independently reviewed (Appendix 1), however, we recommend that high risk, non-routine journals and complex journal entries be reviewed and approved prior to processing.

Management comment

The District Council continues to improve asset valuation information and processes. Improvements to District Council's use of RAMM and the roading data within it are underway and a move to structured procurement processes will also contribute to better valuations for both roading and three waters assets going forwards. Random validations of asset inventory will also be conducted as suggested to enable better assessment of data quality.

Some aspects of valuations, such as the lack of historically recorded construction dates and a very limited extent of recent local works from which reliable unit rate costs could be extracted do, however remain as challenges which are unlikely to be fully addressed, regardless of the data management systems being employed. These limitations were reflected in the approach towards the waters and roading valuations that was taken by WSP, the engagement of whom was in response to a request from audit.

5.4 Accounts payable masterfile access

Background

Our review of accounts payable identified that Council has partially addressed the segregation of duties risk by restricting access to the masterfile by staff who are directly involved in the processing of accounts payable. However, the Finance Manager has:

- Full access to accounts payable including masterfile access,

- Payment approval access, in the bank system, and
- Can input and approve journal entries.

This relies on the accounts payable officer and second bank signatory to detect any unusual payments. With the limited controls the Council has over journal input and approval, this is a significant risk.

Limiting access to the account payable masterfile to staff who do not have bank account access would establish a prevention control and significantly improve the control environment.

Recommendation

Accounts payable masterfile access be limited to staff who are not bank signatories.

Management comment

The District Council accepts this suggestion and has limited the access of staff to the account payable Masterfile.

6 Public sector audit



The District Council is accountable to their local community and to the public for its use of public resources. Everyone who pays taxes or rates has a right to know that the money is being spent wisely and in the way the District Council said it would be spent.

As such, public sector audits have a broader scope than private sector audits. As part of our audits, we have considered if the District Council has fairly reflected the results of its activities in its financial statements and non-financial information.

We also consider if there is any indication of issues relevant to the audits with:

- compliance with its statutory obligations that are relevant to the annual report;
- the District Council carrying out its activities effectively and efficiently;
- the District Council incurring waste as a result of any act or failure to act by a public entity;
- any sign or appearance of a lack of probity as a result of any act or omission, either by the District Council or by one or more of its members, office holders, or employees; and
- any sign or appearance of a lack of financial prudence as a result of any act or omission by a public entity or by one or more of its members, office holders, or employees.

We found no issues that need to be brought to the District Council's attention.

7 Group audit



The District Council Group is comprised of Innovative Waste Kaikōura (IWK) and Kaikōura Enhancement Trust (KET).

We have not identified any of the following during our audits for the years ended 30 June 2021 and 2022:

- Instances where our review of the work of component auditors gave rise to a concern about the quality of that auditor's work.
- Limitations on the group audit.
- Fraud or suspected fraud involving group management, component management, employees with significant roles in group-wide controls, or others where the fraud resulted in a material misstatement of the group financial statements.

8 Useful publications



Based on our knowledge of the District Council, we have included some publications that the Council and management may find useful.

| Description | Where to find it |
|---|--|
| Performance reporting | |
| Public organisations are responsible for reporting their performance to Parliament and the public in a way that meaningfully reflects their organisation's aspirations and achievements. The Auditor-General published a discussion paper that explores five areas for improvement in performance reporting. | On the Office of the Auditor-General's website under publications. Link: The problems, progress, and potential of performance reporting |
| Local government risk management practices | |
| The Covid-19 pandemic is a stark reminder for all organisations about the need for appropriate risk management practices. In our audit work, we often see instances where councils do not have effective risk management. This report discusses the current state of local government risk management practices and what councils should be doing to improve their risk management. | On the Office of the Auditor-General's website under publications. Link: Observations on local government risk management practices |
| Public accountability | |
| Public accountability is about public organisations demonstrating to Parliament and the public their competence, reliability, and honesty in their use of public money and other public resources. This discussion paper explores how well New Zealand's public accountability system is working in practice. | On the Office of the Auditor-General's website under publications. Link: Building a stronger public accountability system for New Zealanders |
| Setting and administering fees and levies for cost recovery | |
| This good practice guide provides guidance on settings fees and levies to recover costs. It covers the principles that public organisations should consider when making any decisions on setting and administering fees and levies. It also sets out the matters public organisations should consider when calculating the costs of producing goods or providing services and setting charges to recover those costs. | On the Office of the Auditor-General's website under publications. Link: Setting and administering fees and levies for cost recovery: Good practice guide |

| Description | Where to find it |
|--|--|
| Managing conflicts of interest involving council employees | |
| <p>This article discusses findings across four councils on how conflicts of interest of council employees, including the chief executive and staff, are managed.</p> | <p>On the Office of the Auditor-General’s website under publications.</p> <p>Link: Getting it right: Managing conflicts of interest involving council employees</p> |
| Establishing a new “public entity” | |
| <p>This document is for people making policy decisions about establishing a new public entity. It sets out questions to help you consider what accountability requirements a new public entity should have.</p> | <p>On the Office of the Auditor-General’s website under publications.</p> <p>Link: Accountability requirements to consider when establishing a new “public entity”</p> |
| Model financial statements | |
| <p>Our model financial statements reflect best practice we have seen. They are a resource to assist in improving financial reporting. This includes:</p> <ul style="list-style-type: none"> • significant accounting policies are alongside the notes to which they relate; • simplifying accounting policy language; • enhancing estimates and judgement disclosures; and • including colour, contents pages and subheadings to assist the reader in navigating the financial statements. | <p>Link: Model financial statements</p> |
| Sensitive expenditure | |
| <p>The Auditor-General’s good practice guide on sensitive expenditure provides practical guidance on specific types of sensitive expenditure, outlines the principles for making decisions about sensitive expenditure, and emphasises the importance of senior leaders “setting the tone from the top”. It also describes how organisations can take a good-practice approach to policies and procedures for managing sensitive expenditure.</p> | <p>On the Office of the Auditor-General’s website under good practice.</p> <p>Link: Sensitive expenditure</p> |

| Description | Where to find it |
|--|---|
| Severance payments | |
| <p>Because severance payments are discretionary and sometimes large, they are likely to come under scrutiny. The Auditor-General has released updated good practice guidance on severance payments. The guide is intended to help public sector employers when considering making a severance payment to a departing employee. It encourages public organisations to take a principled and practical approach to these situations. The update to the 2012 good practice guidance reflects recent case law and changes in accounting standards.</p> | <p>On the OAG’s website under 2019 publications. Link: Severance payments</p> |
| The Auditor-General’s report on the results of recent audits | |
| <p>The OAG publishes a report on the results of each cycle of annual audits for the sector.</p> | <p>On the OAG’s website under publications. Links: Local government 2019/20 audits Observations on the 2021-2031 consultation documents</p> |
| Procurement | |
| <p>The OAG are continuing their multi-year work programme on procurement.</p> <p>They have published an article encouraging reflection on a series of questions about procurement practices and how processes and procedures can be strengthened.</p> <p>Whilst this is focused on local government, many of the questions are relevant to all types of public sector entities.</p> | <p>On the OAG’s website under publications. Links: Strategic suppliers: Understanding and managing the risks of service disruption Getting the best from panels of suppliers Local government procurement</p> |

Appendix 1: Status of previous recommendations

Open recommendations

| Recommendation | First raised | Status |
|---|--------------|--|
| Urgent | | |
| Performance information | | |
| <p>Improve the Ozone system processes and controls to ensure the District Council can report against its service request performance measures. Key improvements include:</p> <ul style="list-style-type: none"> record all service requests from all contractors, and complaints from all sources; add a field and record the 'site arrival time' for service requests; and ensure the "date completed" field matches the date and time the contractor resolved the fault or interruption. | 2018/19 | <p>Matter outstanding</p> <p>Work in progress, the Adapt system has been operating for three years but is not collecting the data required to accurately report against performance targets.</p> <p>Management comment</p> <p><i>Currently, the District Council is reviewing processes for how data collection is captured across the teams. Regulatory Services and Front of House are now better resourced and will be addressing previous gaps in data collection.</i></p> |
| Setting of fees and charges | | |
| <p>Establish a review process to ensure fees and charges set per the annual plan are set up correctly within the District Council's systems.</p> | 2018/19 | <p>Progress made</p> <p>The Finance Team have implemented a checklist. However, during the 2021 audit, three samples of fees charged during the period did not agree to the annual plan. These were for slipway fees, building exemption fee and pensioner housing.</p> <p>During the 2022 audit, one instance was noted where the Fees and Charges Schedule 2021-22 was not updated for pensioner housing rental increases.</p> <p>Management comment</p> <p><i>Pensioner housing rental charge updates fall outside the audit statutory timeframes for the annual plan, the District Council will, where possible ensure all fees are updated per statutory timelines.</i></p> |

| Recommendation | First raised | Status |
|--|--------------|--|
| Necessary | | |
| Council controlled organisations (CCO) | | |
| <p>Publish council-controlled organisations' Statement of Intent, Annual Report and half yearly report on the District Council's website within one month of receiving it.</p> <p>Review the exempted CCO status of Kaikōura Enhancement Trust.</p> | 2019/20 | <p>Progress made</p> <p>No progress has been made.</p> <p>Management comment</p> <p><i>Management is taking legal and taxation advice as to the best solution for both CCO's – the Kaikōura Enhancement Trust and Innovative Waste Kaikōura Ltd. PwC has been engaged for this scope of work.</i></p> <p><i>Note that delays in finalising the audit has been an issue for KET for several years. 2022 is currently being finalised now as at June 2023 with Audit NZ.</i></p> |
| Reporting to Council – service performance | | |
| <p>Reinstate reporting to Council on non-financial information.</p> <p>We recommend reporting is performed on a quarterly basis.</p> | 2018/19 | <p>Matter outstanding</p> <p>No progress at this stage, the new adapt system is live, however Council has prioritised other areas, and equipment and training is required to ensure customer requests and logging of information is accurately captured.</p> <p>Management comment</p> <p><i>This is now performed on a half yearly basis with improvements incremental at each review. Some items are likely to remain a focus area as we progress the 2022/23 annual report.</i></p> |
| Sensitive expenditure policy | | |
| <p>Implement sensitive expenditure policies that are in line with Auditor-General's good practice guidelines and consider bribery and corruption. Key improvements include implementing policies on:</p> <ul style="list-style-type: none"> • credit card usage; • council motor vehicle usage; and • entertainment, hospitality and gifts. | 2016/17 | <p>Matter outstanding</p> <p>The sensitive expenditure policy be reviewed against OAG best practice guidance. In particular, expense reimbursement or credit card expenditure be subject to one-up review after the expense is incurred. The Chief Executive would be reviewed by the Mayor and the Mayor by the Audit and Risk Committee Chair.</p> |

| Recommendation | First raised | Status |
|--|---------------------------------------|---|
| <p>We also recommend the Travel and Accommodation policy is reviewed to bring it in line with OAG guidance.</p> | | <p>The Council’s current process is that expense reimbursement and credit card expenditure be approved by a staff member with an appropriate level of delegation as for any other supplier payment. However, this does not address the imbalance in authority between Council roles and may be ineffective.</p> <p>Management comment</p> <p><i>The Sensitive Expenditure policy has been fully reviewed and adopted by Council. This includes guidance on travel and accommodation.</i></p> <p><i>Delegated approvals will be reviewed in line with the above recommendation to address any potential imbalance in authority.</i></p> |
| <p>Bank reconciliation review and preparation</p> | | |
| <p>We recommend that the District Council prepare and review bank reconciliations in a timely manner and evidence with dates as form of evidence.</p> <p>We also recommend the District Council to prepare a manual bank reconciliation in instances of system restrictions.</p> | <p>2020/21</p> <p>Verbally raised</p> | <p>Matter outstanding</p> <p>During the 2022 audit we found bank reconciliations were being completed and reviewed in a timely manner.</p> <p>We noted three instances where the bank reconciliation was not completed due to system restrictions. Further, the bank reconciliation included two reconciling items which were not cleared in a timely manner. While the amount was not significant it is good practice to clear reconciling items as soon as possible when information is current.</p> <p>Management comment</p> <p><i>Noted this is standard practise. This is the current process at the District Council subject to exceptional events which will be documented.</i></p> |

Implemented or closed recommendations

| Recommendation | First raised | Status |
|--|--------------|--|
| Urgent | | |
| Quality and timeliness of information provided for audit | | |
| Establish a quality review process over the financial and non-financial information presented to audit. | 2018/19 | Closed High quality draft financial statements, and supporting information was provided to audit at commencement of the final audit. |
| Necessary | | |
| Quality of asset information | | |
| Implement the recommendations included within the three waters and roading valuation reports. | 2018/19 | Closed The Council now has asset information that has been independently assessed as “B” Reliable. |
| Security Management policy | | |
| Review, update where necessary, and adopt the Security Management policy. | 2013/14 | Closed The updated Network Security Management policy was introduced in January 2022. |
| Remission rates approval policy consistency | | |
| Sighted in the delegation manual that rate remission is delegated to senior manager of corporate service and finance manager. However, in the remission rates policy published in the Council's website, it still only states approval from the Chief Executive. | 2020/21 | Closed The Rates Remissions and Postponement policy published on the Council’s website states authority has been delegated to certain Council officers and disputes will be resolved by the Chief Executive. |
| Related parties and conflict of interest | | |
| Develop Council and management conflicts of interest registers. | 2018/19 | Closed Councillors and Key Management Personnel interest register has been established and maintained. |

| Recommendation | First raised | Status |
|--|--------------|--|
| Councillor remuneration | | |
| Implement processes to ensure no overpayment is made to Councillors. Consider the legal consequences of overpayment. | 2019/20 | Closed No issues were identified in relation to Elected members pay. Payroll services are now being provided by an external provider specialising in payroll services. |
| Grants monitoring | | |
| Implement processes for grants monitoring. | 2018/19 | Closed No issues were identified in relation to obtaining supporting documentation for subsidies and grants revenue in 2019/20. |
| Finalise and adopt Capitalisation Policy | | |
| Finalise and adopt the capitalisation policy. | 2018/19 | Closed The capitalisation policy was adopted by Council 24 June 2020. |
| Expenditure approval | | |
| Ensure expenditure is approved within the set delegated authority limits. | 2018/19 | Closed No instances of breached delegations identified in 2019/20. |
| Reporting to Council – investments | | |
| Reinstate reporting to Council on investments and debt management. We recommend reporting is performed on a quarterly basis. | 2018/19 | Closed Regular reporting of treasury information is occurring. |
| Journals documentation | | |
| Retain supporting documentation for journal entries. | 2018/19 | Closed Journals supporting information is being retained. |
| Payment dates for targeted water rates | | |
| The District Council should consider the High Court’s view of the requirements of section 24 of the Local Government (Rating) Act 2002, and how the judgment might affect its rates. | 2016/17 | Closed No penalties for water meter charges were included in 2019/20 rates resolution. |

| Recommendation | First raised | Status |
|---|--------------|---|
| <p>Rates resolutions 2017/18 and 2018/19 specify due dates for water meter charges were as a calendar date.</p> <p>However, the penalties resolution referred only to instalments and is silent on water rates charged on volume.</p> | | |
| Use of purchase orders | | |
| <p>Purchase orders are raised for all good and services.</p> | 2016/17 | <p>Closed</p> <p>Purchase orders are being used for all purchases as required by Council policy. Contract payments, such as maintenance work for roading do not go through the Purchase Order process.</p> |
| Beneficial | | |
| Inaccurate pay rates recorded in the payroll system | | |
| <p>State standard pay rates in Individual Employment Agreements (IEA), especially for part-time and casual employees.</p> <p>Perform periodic reviews of part-time and casual employees pay rates to identify any irregularities</p> | 2019/20 | <p>Closed</p> <p>No issues were identified in relation to Elected members pay. Payroll services are now being provided by an external provider specialising in payroll services.</p> |
| Fraud Policy review | | |
| <p>Update the Fraud policy in line with OAG guidelines.</p> | 2018/19 | <p>Closed</p> <p>The fraud and corruption policy were adopted by Council 24 June 2020.</p> |

Recommendations where management accepts risk

| Recommendation | First raised | Status |
|---|--------------|---|
| Necessary | | |
| Access levels within the Ozone modules | | |
| Review access levels within the Ozone modules on a regular basis and confirm these are consistent with the Delegation policy. | 2018/19 | <p>Management accepts the associated risk</p> <p>We compared the delegation policy to the delegations set within Ozone. Four persons have lower delegation in Ozone compared to policy. Not consistent with policy but since they are lower there is no audit risk.</p> <p>Regular review is not considered necessary due to the low staff levels, and lower turnover, management are in touch with when people join the organisation or change roles.</p> |
| Independent review of journal entries | | |
| Independently review all journals, including those that have been edited after they have been through the approval process. | 2019/20 | <p>Management accepts the associated risk</p> <p>The Finance Manager and Management Accountant are aware of this risk and avoid amending journals after posting unless considered necessary (such as a miscoding within the journal). A journals register is kept showing supporting documents and reconciliation workings for each journal, and if a journal is amended subsequent to posting, a “before” and “after” screenshot of the journal is taken with a reason for the amendment.</p> |

Recommendations verbally discussed with management

| | | |
|---|---------|---|
| Necessary | | |
| Payroll Access | | |
| <p>All staff have unique user identification for Payroll software access.</p> <p>The administration officer (Gayle McMillan) uses the executive officer's (Becky Makin) user id when working in IMS Online Payroll. It is good practice for each user to have a unique user identification.</p> | 2021/22 | <p>Closed</p> <p>This issue was resolved immediately by the Executive Officer. Individual user identification is now operating for each staff member accessing IMS Online Payroll.</p> |

Appendix 2: Corrected misstatements

1. 2021/2022 Corrected Misstatements

| | Reference | Assets | Liabilities | Equity | Financial performance |
|--------------------------------------|-----------|--------------|-------------|----------|-----------------------|
| | | Dr (Cr) | Dr (Cr) | Dr (Cr) | Dr (Cr) |
| Sewerage assets | 1 | 7,011 | | | |
| Water supply | | (1,309) | | | |
| Buildings | | (3,950) | | | |
| Gain on asset revaluation | | | | | (1,752) |
| Asset revaluation reserve | 2 | | | 261 | |
| General funds | | | | (261) | |
| Investment property | 3 | 765 | | | |
| Investment property revaluation gain | | | | | (765) |
| Gain from vested assets | 4 | | | | 64 |
| Land and buildings | | (64) | | | |
| Total parent | | 2,453 | - | - | (2,453) |
| | | | | | |
| Total group | | 2,453 | - | - | (2,453) |

Explanation of corrected misstatements

- 1 Sewerage asset correction relates to a formula error in the valuation spreadsheet. The corrections to water supply and buildings relate to the processing of the revaluation in the asset register.
- 2 Being the correction to the accounting treatment of the revaluation reserve when revalued assets are sold or written off.
- 3 Being the correction to valuation of investment property.
- 4 Being the correction to the value of portable units vested in Council on initial recognition.

Corrected disclosure deficiencies

| Detail of disclosure deficiency |
|---|
| <p>Statement of cash flows</p> <p>Corrected investing activities to include proceeds from sale of asset and remove non-cash item.</p> |
| <p>Annual Report disclosure statement</p> <p>Updated the balanced budget, debt control and rates affordability to align to the final report numbers in the annual report.</p> |
| <p>Valuation accounting policy and notes</p> <p>Update the various disclosures for the valuer details and valuation dates.</p> |
| <p>Note 7 Fair Value gains and losses</p> <p>Updated the vested asset disclosed amount to align with adjustment to the recognised figure.</p> <p>Updated the gain/(losses) on asset revaluations for valuation corrections.</p> |
| <p>Note 12 Gains/(losses) on asset revaluation</p> <p>Updated for valuation and disclosure corrections.</p> |
| <p>Note 20 Property, plant and equipment</p> <p>Corrected the asset revaluation reserve disclosure to align to revaluation changes.</p> <p>Corrected accumulated depreciation amounts for revalued asset classes.</p> <p>Corrected disclosure of MRF PPE to agree to joint venture financial statements.</p> |
| <p>Note 20 Core infrastructure asset disclosures</p> <p>Corrected the Wastewater amounts disclosed to agree with the PPE note.</p> |
| <p>Note 24 Borrowings</p> <p>Update the maturity analysis and effective interest rates disclosed.</p> |
| <p>Note 27 Equity</p> <p>Corrected the asset revaluation reserve disclosure to align to revaluation changes and write off of revalued asset.</p> <p>Corrected Special Reserves and Special Funds for reserves not disclosed.</p> |
| <p>Note 28 Remuneration</p> <p>Corrected staff numbers and FTE for employee who left prior to balance date.</p> |
| <p>Note 34 Commitments as lessor, and contingent assets</p> <p>Non-cancellable operating leases as lessor include new lease agreement in 2022.</p> |
| <p>Note 35 Insurance on assets</p> <p>Corrected the depreciated value of Building and Building Contents and Water, Sewerage and Stormwater Assets for valuation changes.</p> |

Detail of disclosure deficiency

Note 38 Breach of statutory deadline disclosure

Updated to reflect relevant section of Local Government Act 2002.

Group disclosure

Corrected the group annual disclosures for GST liability to be included in Payables.

Corrected group notes to reflect changes in parent entity.

Corrected performance reporting misstatements

Detail of misstatement

Water supply

The extent to which the water supply complies with Part 4 of the NZ Drinking Water Standards (bacteria compliance criteria) corrected to 100%.

The extent to which the water supply complies with Part 5 of the NZ Drinking Water Standards (protozoal compliance criteria) corrected to 0%.

2. 2020/2021 Corrected Misstatements

| | Reference | Assets | Liabilities | Equity | Financial performance |
|--|-----------|--------------|-------------|--------------|-----------------------|
| | | Dr (Cr) | Dr (Cr) | Dr (Cr) | Dr (Cr) |
| Roading assets | 1 | 1,229 | | | |
| Water supply | | 455 | | | |
| Storm water | | 53 | | | |
| Sewerage assets | | 212 | | | |
| Accumulated depreciation | | (1,949) | | | |
| Revaluation losses | 2 | | | | 1,147 |
| Revaluation reserve | | | | (1,147) | |
| Revaluation surplus | 3 | | | 682 | |
| Gains from vested assets | | | | | (682) |
| Debtors provision | 4 | (719) | | | |
| Provision for doubtful accounts | | | | | 719 |
| PPE – Road surface | 5 | 82 | | | |
| PPE – Footpaths – Retaining walls and fences | | (1,496) | | | |
| Revaluation surplus | | 1,414 | | | |
| Total parent | | (719) | – | (465) | 1,184 |
| Total group | | (719) | – | (465) | 1,184 |

Explanation of corrected misstatements

- 1 This relates to the elimination of accumulated depreciation on revaluation on 1 July 2020.
- 2 Revaluation losses reclassified to profit and loss from equity as there was no revaluation reserve balance.
- 3 Being correction of the Inland Road vested recognised amount by adjusting the balance in roading revaluation reserve.
- 4 Being the recognition of the full provision on the Whale Watch debtor balance.
- 5 Being the correction to revaluation movements on bridges and structures.

Corrected disclosure deficiencies

| Detail of disclosure deficiency |
|---|
| <p>Breach of statutory deadline disclosure</p> <p>Disclosure of the breach in statutory reporting deadline.</p> |
| <p>Accounting policies</p> <p>Updating the policy re the criteria developed to distinguish cash generating assets from non-cash generating assets (PBE IPSAS 21 and 26).</p> |
| <p>Joint Venture accounting policy</p> <p>Updated the disclosure for the interest in MRF.</p> |
| <p>Budget reported disclosures in the Report</p> <p>Updated the annual plan budget figures to align with the final 20/21 annual plan.</p> |
| <p>Annual Report disclosure statement</p> <p>Updated the balanced budget, rates affordability, essential service benchmarks to align to the final report numbers in the annual report.</p> |
| <p>Equity note 26</p> <p>Corrected the asset revaluation reserve amount to align to revaluation disclosure changes.</p> |
| <p>Core infrastructure disclosures</p> <p>Corrected the Roading amounts disclosed to agree with the PPE note.</p> |
| <p>Note 7 Fair value gains and losses</p> <p>Updated the vested asset disclosed amount to align with adjustment to the recognised figure.</p> |
| <p>Group disclosure</p> <p>Corrected the group annual disclosures for payables, property plan and equipment and deferred revenue.</p> |
| <p>Exchange and non-exchange transactions</p> <p>Corrected disclosures in line with PBE IPSAS 1 to include split between exchange and non-exchange transactions.</p> |
| <p>Summary revenue and expense group activities</p> <p>Corrected the disclosure for roading, district development revenue and water supply to align with Funding Impact Statements.</p> |
| <p>Financial instruments note 28</p> <p>Updated the group payables and receivables amounts to match amounts in the statement of financial position.</p> |

| Detail of disclosure deficiency |
|---|
| <p>Funding impact statement</p> <p>Corrected the external loan movement of \$2 million and the related increase/decrease in reserve balance.</p> |
| <p>Borrowings note</p> <p>Update the maturity analysis and effective interest rates disclosed.</p> |
| <p>KMP disclosures</p> <p>Updated the KMP disclosures to include the other Senior staff members in line with IPSAS20.</p> |

Corrected performance reporting misstatements

| Detail of misstatement |
|---|
| <p>Water supply</p> <p>The extent to which the water supply complies with the testing and monitoring requirement of the NZ Drinking Water Standards corrected to 42%.</p> <p>The extent to which the water supply complies with part 4 of the NZ Drinking Water Standards (bacteria compliance criteria) corrected to 67%.</p> |
| <p>Innovative waste disclosures</p> <p>Corrected the performance targets to align with the SOI targets and actuals.</p> |
| <p>Wastewater disclosure</p> <p>Corrected the wastewater community outcome disclosures.</p> |
| <p>Road roughness disclosures</p> <p>Corrected the road roughness disclosures to indicate the latest results performed in May 2021.</p> |
| <p>Commercial activities disclosures</p> <p>Corrected the actual performance indicators for 20/21 to 2.48%.</p> |

Appendix 3: Disclosures

| Area | Key messages |
|--|--|
| Our responsibilities in conducting the audit | <p>We carried out this audit on behalf of the Controller and Auditor-General. We are responsible for expressing an independent opinion on the financial statements and performance information and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001.</p> <p>The audit of the financial statements does not relieve management or the Council of their responsibilities.</p> <p>Our Audit Engagement Letter contains a detailed explanation of the respective responsibilities of the auditor and the District Council.</p> |
| Auditing standards | <p>We carried out our audit in accordance with the Auditor-General's Auditing Standards. The audit cannot and should not be relied upon to detect all instances of misstatement, fraud, irregularity or inefficiency that are immaterial to your financial statements. The District Council and management are responsible for implementing and maintaining your systems of controls for detecting these matters.</p> |
| Auditor independence | <p>We are independent of the District Council in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): <i>Code of Ethics for Assurance Practitioners</i>, issued by New Zealand Auditing and Assurance Standards Board.</p> <p>Other than the audit, we have no relationship with, or interests in, the District Council or its subsidiaries.</p> |
| Fees | <p>The audit fee for 2021 and 2022 is \$102,377 and \$111,548 respectively, as detailed in our Audit Proposal Letter.</p> <p>Other fees to be charged in the period are relate to the assurance review of the Debenture Trust Deed.</p> |
| Other relationships | <p>We are not aware of any situations where a spouse or close relative of a staff member involved in the audit occupies a position with the District Council or its subsidiaries that is significant to the audit.</p> <p>We are not aware of any situations where a staff member of Audit New Zealand has accepted a position of employment with the District Council or its subsidiaries during or since the end of the financial year.</p> |

AUDIT NEW ZEALAND

Mana Arotake Aotearoa

Level 3, 335 Lincoln Road
PO Box 2, Christchurch 8140

www.auditnz.parliament.nz



| | | |
|---------------------------|---|---------------|
| Report to: | Council | File # |
| Date: | 26 July 2023 | |
| Subject: | Community Services Team Update | |
| Prepared by: | S Haberstock – Community Services Manager | |
| Input sought from: | Community Services Team and partners | |
| Authorised by: | P Kearney – Senior Manager Corporate Services | |

1. SUMMARY

The purpose of this report is to keep the Mayor and Councillors informed of the activities delivered by the Community Services Team and collaborations with the Kaikōura community.

The report this month includes the following activity updates for June/July:

1. Community Development
 - a. Community Development and Community Groups
 - b. Events
 - c. Te Hā o Mātauranga activities
 - d. Community Grants
2. Information Management
3. Library Dashboard
4. Kaikōura Emergency Management

2. RECOMMENDATION

It is recommended that the Council receives this report for information.

3. ACTIVITY UPDATES

a. Community Development and Community Groups

Older Person's Working group

The Older Persons Working Group is exploring possibilities whether there is a need to create a trust to umbrella the work they are doing, as there could be further potential accessing services and funds with the establishment of a Charitable Trust, possibly through the Older Persons Working Group. Members are doing research and will report back and have a discussion at August meeting. Kaikōura Health attends the Older Persons Working Group and employs The Older Persons Community Worker. This position is currently half funded, and we need to look at further funding to ensure there are activities for our older residents.

Pensioner Housing

The waiting list is still 12. The carpark has been sealed and just needs to be swept off and we are preparing to paint some parking lines to make it easier for residents and visitors to the flats.

Youth Council

S Wright attended Top of the South Youth Council hui in Blenheim with seven Youth Council members and two coordinators. This was attended by Nelson, Marlborough, Murchison and Kaikōura. There was great interaction between Youth Council members and good conversations were had. This was a useful networking opportunity as S Wright met her counterpart at Marlborough District Council and useful contacts from Nelson.

Violence Free

Held bimonthly violence free meeting, new format with agencies all sharing updates and what they are seeing trend wise. No funding applications were made this round.

Takahanga Courts

We are working with Runanga to clarify approved areas of work and are expecting a letter soon.

b. Events

Community Information Session

We held a community information session with presentations by Marlborough Community Law, Age Concern Canterbury, Greypower Marlborough and MSD on topics such as Power of Attorney, Elder Abuse, Residential Care Subsidies and Greypower membership services. After being contacted recently, Age Concern and Greypower clarified that they are available to cover Kaikōura with their services where required from their respective areas.



Elder Abuse afternoon tea

We held afternoon tea and music session to acknowledge elder abuse awareness week. Sergeant Matt Boyce came and spoke to the forty attendees who enjoyed the music and get together and expressed

an interest for ongoing similar events. Working with Older Person's Support Worker at Kaikōura Health on this.

c. Te Hā o Mātauranga (Te Hā) activity update

Brokering Opportunities through the Hub

- Kaikōura Education Aspirations (KEA) is progressing - there is some good buy-in to this process from Principals, MOE and MSD, and the next meeting is on 8 August.
- Their Te Hā ākonga gave some feedback to the Kaikōura High School Board of Trustees regarding the kind of Principal they are looking for. Below some comments:
 - Impartial - between teachers and students (can hear both sides)
 - Someone who can sort out food at the school
 - Someone who will get rid of the fishbowl.
 - Someone who has the right attitude to make the bullying stop.
 - A forgiving principal
 - Someone fresh, not biased, new to the community
 - Can see the problems at the school
 - Can work with teachers who are not performing and encourage good teachers
 - Someone who is not afraid to stand up.
 - Someone who cares about learning and not what people are wearing.
 - Someone who is actively involved in the school community - not in a punitive way, less time in office
 - Someone who likes their job and is passionate
 - Someone who likes kids
- Te Hā successfully applied for Tu Manawa Funding from Sport Tasman to help them engage their rangatahi in outdoor recreation experiences.
- Te Hā has continued to work with the GET group, running a level 3 one-day 9 credit course called GET Confidant in May. They had 11 ākonga attend and 10 have achieved the level 3 credits.
- The Community Garden continues to move forward strongly. Unfortunately, Te Hā was unsuccessful in securing the Food Security Fund. However, they have been granted funding from the KDC Community Initiatives to support more community garden programmes. Recently, they have had a fermenting workshop and a Cheese making workshop.
- Driving – Te Hā was only offered 9 spaces under the new MSD contract for 2023-2026. This was disappointing, as we tendered for 100 spaces. The entire Nelson/Marlborough/West Coast region was given just over 500 spaces. It would have been helpful to know this in advance as it would have tempered our expectations of what we could possibly be contracted.
- Lateral Youth is currently attracting 30ish young people each Friday night, meaning Te Hā is now needing 3 staff on board each night. The Lateral Youth Coordinator has put together a leadership team of young people and ran training for them in the last school holidays so that they were prepared to step into leadership roles within the group. This team has done well leading games for the other youth.
- Community Shed – The Thursday group, run by the Older Person's Support Worker B Rickerby, stepped up their entrepreneurial game, and is now creating laser printed coasters and chopping boards that are being sold through the gift shop at Encounter Kaikōura. Te Hā was partially successful with an application to the Council's Discretionary Grant Fund, gaining \$5,000 for the shed costs. They also received \$2,000 from Mainpower Community funds. The men are looking at purchasing a CNC router - this will be a significant asset for the shed – however, they need to balance cost with potential use and benefits. There is a lovely article on Stuff about their predator traps
<https://www.stuff.co.nz/national/politics/local-democracy-reporting/300923196/predator-traps-on-order-from-kaikura-mens-shed>

Offering Community Learning Opportunities:

- Te Hā has applied to the Violence Free Network and with the funding is bringing Greg Jansen from Restorative Schools to do some training with the community on ways of supporting youth to cope with disconnected relationships with a restorative approach. This workshop is about building capability to work in a restorative way. This is on the 17 and 18 July and is good timing as Restorative Schools is also doing some work with Kaikōura High School.
- One of their ākonga has produced an amazing series of drawings of Elvis. Te Hā is looking to showcase his art in an exhibition at the Mayfair. They have also engaged Geoff Noble, a local artist, to spend 6 Fridays with their ākonga from 10 -2pm, starting 28 July, supporting them to engage in creative endeavours. Geoff will help them prep for the Mayfair Exhibition.
- Th'Orchard ran a crowdfunding campaign to bring their Christchurch based rangatahi through to Kaikōura in the first half of August (date still to be determined). They are intending to run a workshop for Kaikōura rangatahi as well as include them in a local performance – Te Hā is looking forward to this opportunity.
- The Community Garden is putting out lots of learning through videos and workshops on seed raising, and all kinds of garden advice. They had a very successful fermentation workshop, followed by garlic planting.
- Adult Learning courses are continuing - recently held Class 2/4 course and Cheese making.
- Driving lessons with R Roche are continuing. M McCann continues to come from Blenheim each month for mentoring.
- MTFJ training and driving stats continue to tell a good story of what they are doing. Rebel Business School (a highly motivational start your own business programme) has just finished another weeklong course here - unfortunately they had about half of the registered participants pull out for various reasons and ended up with 5 on the course. The course last year was very successful with 20 participants. Te Hā is thinking that it may be more beneficial to hold a niche course like this every second year rather than yearly. The Trades Training group at KK High is going well and has successfully completed a sleepout build for Avodah Respite.



- The MTFJ contract has been finalised for 2023-2024 and are contracted for 38 sustainable placements, 80% must be youth and the remaining 20% disadvantaged in the local labour market. Te Hā has \$325,000 for this year. The following year the contract is guaranteed at a minimum of \$260,000 - we don't know what the placement targets will be, and the amount may increase depending on the MTFJ spend nationally.

- Driving Statistics:

| Driving Totals | 2022 | | | | | | 2023 | | | | | | Total |
|--------------------------|------|-----|-----|-----|-----|-----|------|-----|-----|-----|-----|-----|-------|
| | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | |
| Passed Learners | 2 | - | 8 | 2 | 1 | 4 | 0 | 2 | 4 | 3 | 4 | - | 30 |
| Passed Restricted | 5 | 4 | 4 | 4 | 5 | 4 | 6 | 1 | 5 | 2 | 1 | - | 42 |
| Passed Full | - | 2 | 2 | 2 | 1 | 2 | 2 | - | 4 | 1 | 1 | 2 | 19 |
| Mentoring Sessions | 12 | 10 | 31 | 11 | 13 | 7 | 10 | 4 | 14 | 7 | 16 | 11 | 130 |
| Driving Lessons | 35 | 22 | 15 | 15 | 25 | 22 | 13 | 26 | 31 | 1 | 19 | 32 | 272 |
| Learner course attendees | 3 | - | - | - | - | - | - | - | - | - | - | - | 3 |
| Passed Class 2 Learner | - | - | - | 1 | - | - | - | 1 | - | - | 1 | 2 | 5 |
| Passed Class 2 full | - | - | - | 1 | - | - | - | - | - | - | - | 6 | 7 |
| Passed Class 4 full | - | - | - | - | - | - | - | - | - | - | - | 3 | 3 |
| Defensive Driving Course | - | - | - | - | 12 | - | - | - | - | - | 8 | - | 20 |
| Passed Class 5 Learner | - | - | - | - | - | - | - | 1 | - | - | - | - | 1 |
| Forklift Course | - | - | - | - | - | - | - | - | 6 | - | - | - | 6 |

d. Community Grants

Sports NZ Rural Travel Fund

The annual amount of \$9,500.00 was allocated to Kaikōura District Council for 2022-2023. A total of \$18,265.01 was available for the committee to allocate. This included \$5,440.01 balance rolled over impacts of COVID and the demand that local councils continue to support tamariki and rangatahi in rural communities. There will be another (and final) amount of \$3,325.00 allocated for 2023-2024.

The amount of \$12,030.40 was requested by the following three groups:

1. Kaikōura Netball Centre
2. JAB Kaikōura Rugby
3. Kaikōura High School – Hockey

The annual meeting was held on 3 May 2023, and a total of \$11,265.60 was approved and allocated. A request to carry over unspent funding balance of \$6,999.41 to Sports NZ will be made when the end of year report is completed and sent (due end of August 2023).

During the hui on 3 May 2023, the committee commented that with the allocation for 2023-2024, plus the extra funding along with the unspent funding from 2022-2023, there is an opportunity to have a 'summer' hui and allow the summer sports groups to have access to this fund.

George Low Fund

A total of \$4,500.00 was available, an assessment hui was held on 3 May 2023. The amount of \$4,022.90 was allocated to the following groups:

1. CACTUS 2023
2. JAB Kaikōura Rugby
3. Kaikōura Netball

Creative Communities Scheme

A total of \$5,782.40 was available to the community for Round 3 (final round for 2022-2023), and the hui was held on 12 July 2023. Five applications were received with a total request of \$8,139.40. All available funds were allocated to all 5 project applications:

1. Douce Ambiance – violin jazz concert
2. Kaikōura Youth Recital
3. Spirit of Salts – Kaikōura Museum exhibition
4. Shades of Shakti
5. Canbead Workshop

We have a total of 17 active projects presently active in our community, which include the 5 that were assessed and approved funding on 12 July 2023.

Community Initiative Fund

A total of \$12,215.00 was available for the assessment hui that was held on 10 May 2023. This amount included a reimbursement amount of \$1,035.00 of unspent funding that had previously been approved on 16 March 2022. 3 applications were received, all were approved and the total amount of funding available was allocated to the 3 projects.

1. Dark Sky
2. Community Seabird Conservation Kete P2
3. Organic Garden P2

We have a total of 5 active projects which include the 3 that were approved on 10 May 2023.

2. Information Management

For background, the Public Records Act (PRA) essentially mandates the Chief Archivist, and Archives NZ, to develop and support government recordkeeping, including making independent determinations on the disposal of public records (for context: *disposal* means transfer (of control), or the sale, alteration, destruction, or discharge, of a record).

It also enables the Government to be held accountable by ensuring that full and accurate records of the affairs of central and local government are created and maintained – that is, KDC as a Local Authority is bound by this Act in:

- providing for the preservation of, and public access to, records of long-term value; and
- to enhance public confidence in the integrity of public records and local authority records; and
- to provide an appropriate framework within which public offices and local authorities create and maintain public records and local authority records (*section 17 expands on this*); and
- through the systematic creation and preservation of public archives and local authority archives, to enhance the accessibility of records that are relevant to the historical and cultural heritage of New Zealand and to New Zealanders' sense of their national identity; and
- to encourage the spirit of partnership and goodwill envisaged by the Treaty of Waitangi (Te Tiriti o Waitangi).

In Section 27 it empowers the Chief Archivist to issue standards in relation to public records or local authority records for their creation, maintenance, or management, their appraisal for disposal, and the provision of access to them.

The Kaikōura District Council has awarded our Back-Scanning Project to Desktop Imaging, looking to digitise approximately 3,366 property files to become better custodians of public information and deliver better, digitally enabled property information services to our community.

Desktop Imaging's processes are compliant with the PRA (*Public Records Act compliance with the Information and Records Management Standard July 2016, V1.0 (Doc ID: 16/Sp1)*), as well as the

mandatory and recommended requirements and technical specifications set out in the Information and Records Management Standard, V1.0 as issued by Archives New Zealand July 2016.

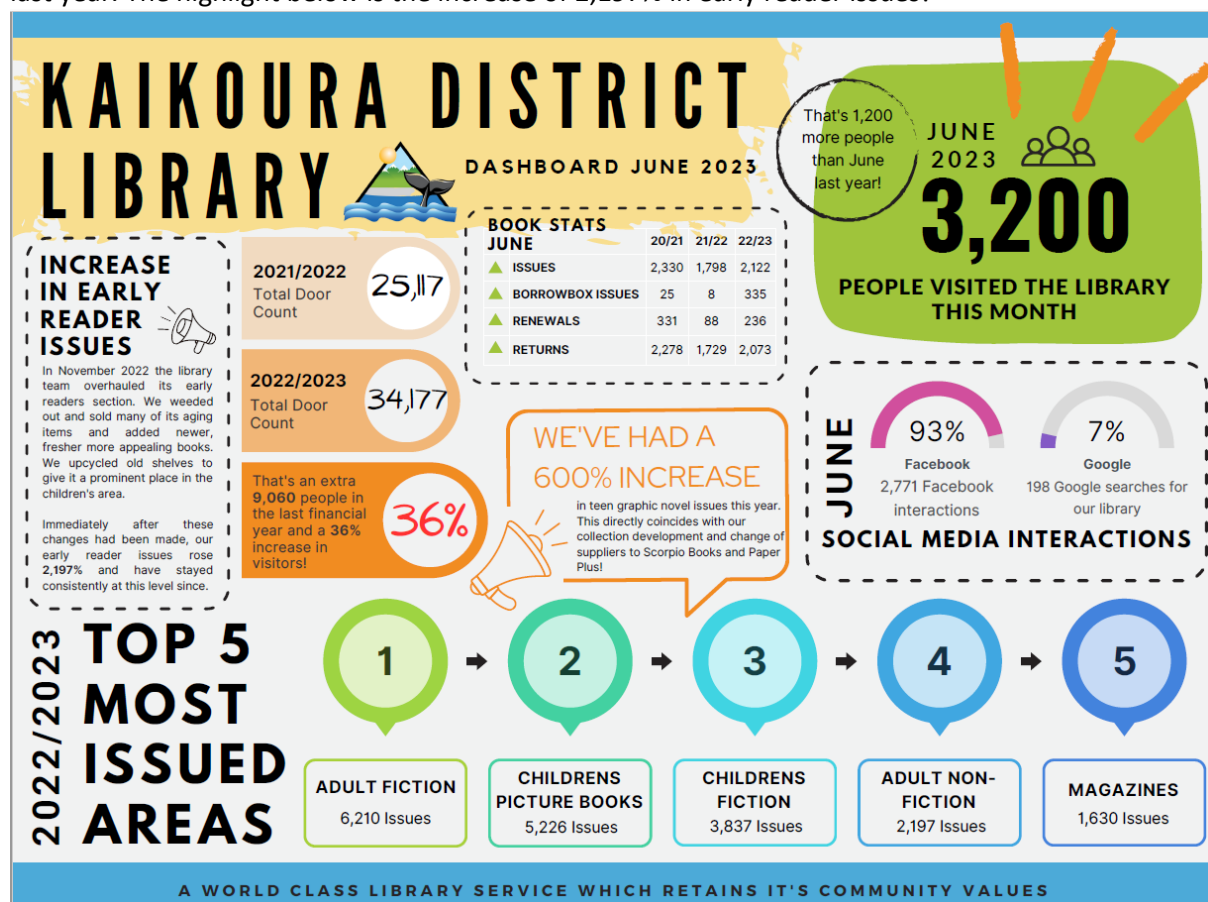
We confirm Desktop Imaging’s processes are compliant with all the relevant Acts and other legally mandated requirements for managing public records.

3. Library Dashboard

For the last year, we have seriously adapted and evaluated our library services, programmes and book and e-book collection. This has required changing suppliers, upgrading our IT network (joining the national library APNK network).

We are not just delighted with the efficient and reliable service we are receiving from our local Paper Plus supplier, Scorpio Books, our new e-book provider Borrowbox, and the speed and reliability of the APNK IT network, but also with the motivation of our staff who have been upskilled in modern library practices.

A culmination of accessible service models, motivated staff, and new IT network infrastructure, coupled with a customer focused vision, has resulted in the meteoric increase in statistics over the last year. The highlight below is the increase of 2,197% in early reader issues!



3. Kaikōura Emergency Management

Recovery Managers

The Canterbury Group recovery plan and the related recovery structure diagram was included in the last CEG agenda. The plan puts the meat on the bones of the proposed recovery structure.

Canterbury GROUP is intending to add this as a draft to the agenda for the CEG meeting on 31 July, ahead of wider engagement with recovery partners i.e. Councils, Ngāi Tahu, Government agencies, key private sector representatives, and key NGOs, rather than the wider public. This engagement is planned for August to November 2023.

At this stage, it is pitched as a draft or discussion document to get agencies thinking about what recovery means in the Canterbury CDEM context, and what arrangements may look like for Canterbury. It will be amended based on the feedback received during the engagement process.

They have also sought feedback from local EMOs. Their initial feedback is positive and constructive. Unless they receive any more substantial concerns, there will only be minor changes in the version for the CEG agenda. Among these changes will be revisions to the structure diagram and plan regarding arrangements for Ngāi Tahu participation, following recent discussions with them

Welfare Function Manager

Canterbury CDEM Group welfare has been working on developing a regional tool for collection and tasking of welfare needs assessments. A session on the 27th July is to provide us with an overview of the solution that has been developed. Following this session, they will provide training materials and implement the tool across Canterbury Councils. They have invited EMOs, welfare managers, and Council GIS specialists to this meeting.

COVID-19 Update

COVID response has dropped substantially, and the number of people registering for COVID has also dropped, which skews the data.

4. FINANCIAL IMPLICATIONS AND RISKS

None – expenditure remains within budgets.

5. COMMUNITY OUTCOMES SUPPORTED



Community

We communicate, engage and inform our community



Development

We promote and support the development of our economy



Services

Our services and infrastructure are cost effective, efficient and fit-for-purpose



Environment

We value and protect our environment



Future

We work with our community and our partners to create a better place for future generations

| | | |
|---------------------------|---|--|
| Report to: | Council | |
| Date: | 26 th July 2023 | |
| Subject: | Planning Update | |
| Prepared by: | M Hoggard - Strategy Policy and District Plan Manager | |
| Input sought from: | P Egan - LIMs & Administration Officer | |
| Authorised by: | P Kearney – Senior Manager Corporate Services | |

1. SUMMARY

This report provides a general update of what is occurring in the Planning Department.

Key aspects to note are:

- LIMs numbers continue to be flat
- Some resource consents are still being processed by external consultants
- Natural Hazards and Rehoused Plan – see separate report to Council
- District Plan Review – Spatial Plan
 - A productive meeting occurred between Staf, Boffa Miskell and Te Runanga o Kaikōura
- Canterbury Regional Policy Statement Under Review
- Resource Management Reform Continues
 - National Policy Statement – Indigenous Biodiversity – Operative Date 4th August 2023
 - Two reviews of the Emissions Trading Scheme (ETS) are open for submissions
 - Natural and Built Environment Bill and the Spatial Planning Bill have been reported back to Parliament
- Policy Planner Position still vacant

Attachments:

- i. Resource consents in progress

2. RECOMMENDATION

It is recommended that the Council receives this report for information.

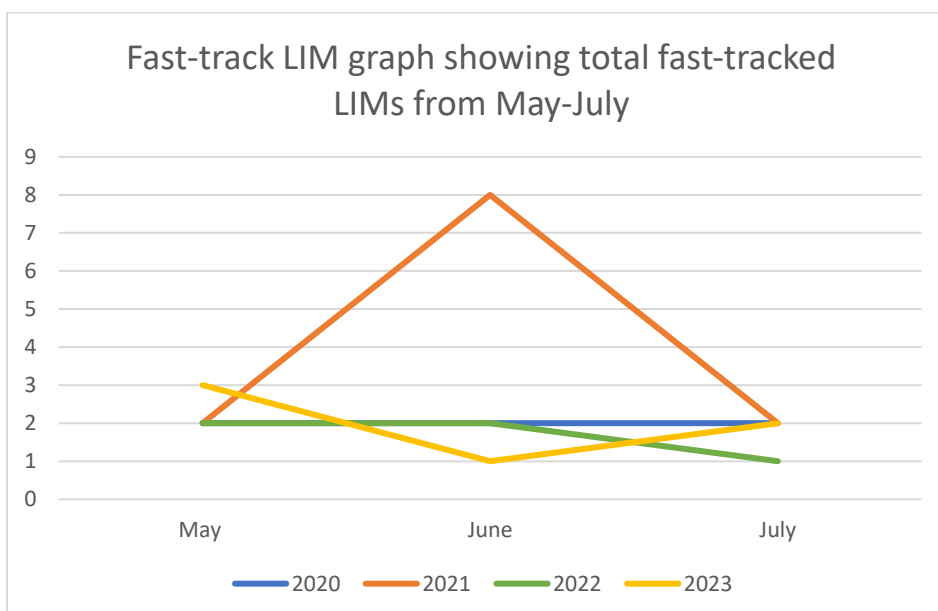
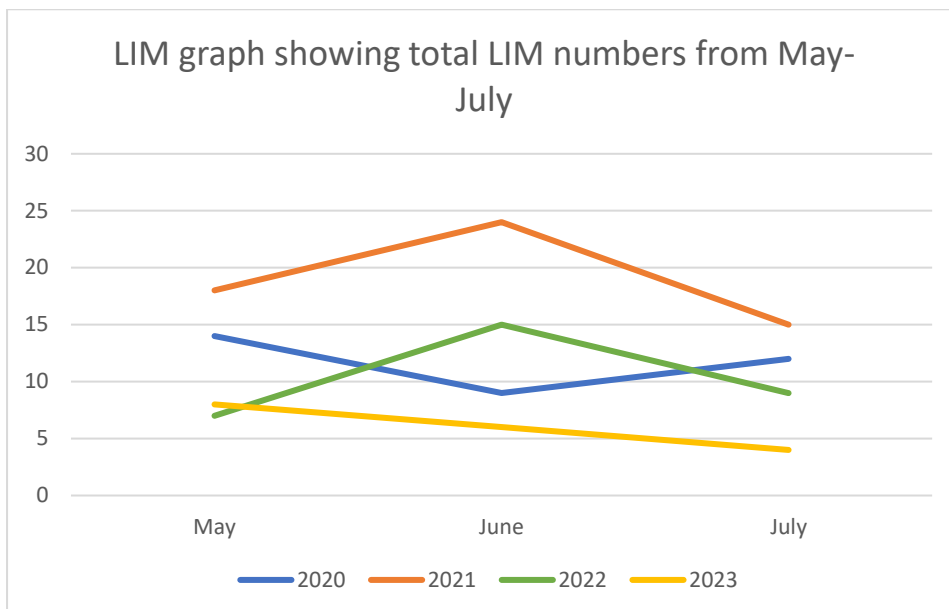
3. BACKGROUND

3.1 Resource Consents Status:

Attachment 1 includes a list of resource consents updated since the June 2023 Council report.

3.2 Land Information Memorandums (LIMs)

LIM numbers continue to be flat which is typical for this time of the year.



3.3 District Plan Review – Natural Hazards Chapter Update

A report is required to Council to officially make the Natural Hazards Plan Change operative and the rehoused District Plan operative, given workload and time taken for annual leave this is now intended for the July Council meeting.

3.4 District Plan Review

3.4.1 Spatial Plan

Mayor Mackle, Boffa Miskell and Council staff meet with members of Te Runanga o Kaikōura 22nd June 2023. Positive discussion occurred as to how to move the project forward and the meeting created a sound platform for further korero. Council staff has since been in contact with the suggested Ngai Tahu staff to work out how to best incorporate material in the spatial planning process. Ngai Tahu staff have advised further discussion will be required with Te Runanga o Kaikōura before information can be released. It is extremely important that we have direction from Te Runanga o Kaikōura when we develop our communities 30-year vision.

3.4.2 Plan Change 4 - Kaikōura Business Park Limited

A site visit occurred with the developer and Councillors on 4th July, additional information has been supplied from the developer and this is currently being worked through.

3.5 Landscape Overlay Review

No change from last month's meeting.

3.6 Canterbury Regional Policy Statement up for Review

The Canterbury Regional Policy Statement (CRPS) sets the overall direction for planning in Canterbury. Territorial Authorities are required to give effect to this document, so it is essential that the direction of the CRPS meets our community needs. Although the document is written by the Canterbury Regional Council it is the policy statement for the Canterbury Region as opposed to the Canterbury Regional Councils Policy Statement. Feedback opened on 3 July 2023 and on 4th July Council received an email asking if Councillors require a briefing from Environment Canterbury?

The email goes on to explain the general view is Council staff will be required to keep Councillors informed on any topic which Councillors are interested in. The timeline for consultation continues until December 2024 and Planning Staff are currently working with CRC staff as to where our efforts will be best spent. More information can be found: <https://haveyoursay.ecan.govt.nz/about-our-future-canterbury>

3.7 National Policy Statement Indigenous Biodiversity (NPSIB) – Operative 4 August 2023

Submission on the NPSIB closed on 21st July 2022. Council made a submission on this document our submission addressed:

1. The potential costs for protecting biodiversity within our district and our limited rating basis. The estimated costs for identification of significant natural areas (SNA) based on our March 2020 submission being \$852,500 to \$3,465,000 over 6 years, plus \$37,500-\$125,000 per year ongoing. These figures were based on March 2020 and do not include inflation adjustments.
2. Ensuring any timeframes proposed should take into account the effects on mental health for our rural landowners

Cherry-picking parts of the exposure draft the following is noted:

1. The focus of the document is to protect, maintain, and restore indigenous biodiversity
2. Significant indigenous vegetation and significant habitats of indigenous fauna are identified as significant natural areas (SNAs) using a consistent approach.
3. SNAs are protected by avoiding and managing adverse effects from new subdivision, use and development – note the document does not preclude subdivision, use and development in appropriate places and forms.
4. Certain existing activities are provided for within and outside SNAs
5. Regional biodiversity strategies are developed and implemented to maintain and restore indigenous biodiversity at a landscape scale.
6. Appendix 1 of the document outlines the process for identification of Significant Natural Areas (SNA's)
7. To give effect to the document Local authorities must engage with communities and tangata whenua to determine how to give effect to Te Rito o te Harakeke.
8. Every local authority must actively involve tangata whenua (to the extent they wish to be involved) in the management of indigenous biodiversity
9. The precautionary approach applies

10. Every territorial authority must undertake a district-wide assessment of the land in its district to identify areas of significant indigenous vegetation or significant habitat of indigenous fauna that qualify as SNAs.
11. If requested by a territorial authority, the relevant regional council must assist the territorial authority in undertaking its district-wide assessment.
12. Local authorities must work in partnership with tangata whenua and Māori landowners to develop, and include in policy statements and plans, objectives, policies, and methods that, to the extent practicable:
 - (a) maintain and restore indigenous biodiversity on Māori lands; and
 - (b) protect SNAs and identified taonga on Māori lands
13. Local authorities must consider and realise opportunities to provide incentives for the protection and maintenance of indigenous biodiversity, and the protection of SNAs and identified taonga, on Māori lands.
14. Local authorities must consider providing incentives for restoration in priority areas.
15. Every regional council must prepare a regional biodiversity strategy.
16. Local authorities must have regard to the relevant regional biodiversity strategy when developing restoration objectives, policies, and methods for inclusion in regional policy statements and plans.
17. Regional councils must work with territorial authorities, relevant agencies and tangata whenua to develop a monitoring plan for indigenous biodiversity in their regions and each of their districts.
18. Every local authority must give effect to this National Policy Statement as soon as reasonably practicable.
19. Local authorities must publicly notify any changes to their policy statements and plans that are necessary to give effect to this National Policy Statement within 8 years after the commencement date.
20. Appendix 1 provides the Criteria for identifying areas that qualify as significant natural areas. Every assessment must include at least:
 - (a) a map of the area; and
 - (b) a description of its significant attributes, including for each criterion a description of the attribute (as specified below) that applies; and
 - (c) a description of the indigenous vegetation, indigenous fauna, habitat, and ecosystems present; and
 - (d) additional information such as the key threats, pressures, and management requirements

The assessment must be conducted by a suitably qualified ecologist.

Based on the above the submission made in July 2021 has had no effect on the policy direction. Councillors should be aware the requirements of the NPSIB will require significant resources to implement within the required 8 year timeframe.

3.8 Resource Management Reform

The Natural and Built Environment Bill and the Spatial Planning Bill have been reported back to Parliament with extensive changes and a lengthy report from the Environment Select Committee. The purpose clause has been amended and there has been what the Secretary for the Environment has called “panel-beating” of provisions relating to limits and targets; places of national importance; the role of Fish & Game; and various “outcomes”. The second reading is expected in the week commencing 24 July and the two bills will likely be passed before the end of August. The National Planning Framework is expected to follow.

3.9 Emissions Trading Scheme

Two reviews of the Emissions Trading Scheme (ETS) are open for submissions until 11 August 2023. The first regarding the design of the ETS's permanent forests' category, which allowed exotic species to register from 1 Jan 2023 alongside indigenous forests. The second review raises the long-overdue question of whether companies covered by the ETS should have to actually reduce their emissions, or whether they will continue to be able to use plantation pine forest offsets and continue to pollute.

3.10 The next three months

Planning is looking to progress the following over the next three months:

District Plan:

1. Making natural hazard plan change and rehoused plan formally operative - See separate report on Council agenda.
2. Continued Review of Resource Management Act reform documents including future consideration of the NPSIB
3. Development of a draft spatial plan for community feedback
4. Ensure that district plan maps can be viewed in an interactive viewer, as opposed to pdf.
5. Move district-wide landscape assessment forward
6. Notification and submission on Plan Change 4 (Light Industrial Area)
7. Notification and submission on Plan Change 5 (Kaikōura Dark Sky)

Policies and bylaws

8. Signage is being progressed by Dave Clibbery, Senior Manager Operations.

Staff

9. Find a replacement Policy Planner
10. Determine how to best give effect to the NPSIB – is an in-house ecologist required?

Resource Consents

11. Further process mapping to improve current planning processes
12. Closing out resource consent which have been on hold for prolonged periods

4. FINANCIAL IMPLICATIONS AND RISKS

In addition to the risks expressed in the April Council meeting the loss of 25% of the current planning staff is a significant change for the department. The planning team and human resources are exploring options for filling this position including overseas recruitment.

Nationally, planning staff continue to be difficult to find and delays in replacing staff will result in increased use of consultants which will have an impact on budgets. This may also result in the planning team lacking the capacity to process future plan changes within house and delay the implementation of National Policy Statements.

5. RELEVANT LEGISLATION

Resource Management Act 1991

6. COMMUNITY OUTCOMES SUPPORTED



Community

We communicate, engage and inform our community



Environment

We value and protect our environment



Development

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Services

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Future

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ATTACHMENT 1

1. Active and deferred Resource Consent applications to 15th February 2023

“Deferred” applications are applications which have been placed on hold either on a request by the applicant or by Council requesting further information to better understand the effects of the proposed activity. Where applications are deferred the statutory processing clock (working days) is placed on hold.

| No | RC ID | Applicant Name | RC Description | RC Location | Status / Notes |
|----|-------|----------------|--|------------------------|---|
| 1. | 1632 | D & R NZ Ltd | Land Use (Mixed use building development) | 26-36 West End | No change from June 2021 Council meeting. Deferred (s 92). Waiting for further information Neighbour’s approval was requested in September 2019 further information was requested in October 2019. A reminder was sent to applicant on the 20/07/2020. A follow up email has been sent in July 2021. Interim invoice has been sent. |
| 2. | 1660 | Leanne Taylor | (Land Use) Visitor Accommodation | 5 Kotuku Road | No change from June 2021 Council meeting. Deferred(s92). Further information (Neighbours approval) was requested on 8 th Sept 2020. Further communication has occurred on 2 nd October 2020. A follow up email has been sent in July 2021. |
| 3. | 1675 | Eysen Juan | Land Use Dwelling in Flood Zone | 238C Mt Fyffe Rd | No change from June 2021 Council meeting. Deferred (s92) Further information) Further information was requested on the 15 th April 2020 seeking plans and elevations of what is proposed. Further communication occurred 15 th October. A follow up email has been sent in July 2022. |
| 4. | 1777 | John Drew | Relocation of building platform, boundary setbacks breached. | 1481 D State Highway 1 | The matter has been passed on to our enforcement team. On 30 th May 2023 a geotechnical report has been provided, staff are still awaiting the landscape assessment, the application remains on hold. |
| 5. | 1797 | Elisha Dunlea | Two lot subdivision | 190 Mt Fyffe Road | Applicant had originally withdrawn application but have now asked to have the application put back on |

| | | | | | |
|-----|-------------|------------------------------|---|------------------------|---|
| | | | | | hold under s 92(1) as the consent was ready to be issued. Processed by RMG. Council staff need to speak with the applicants about this consent. |
| 6. | 1843 & 1844 | Kaikōura Trustee Company Ltd | Two allotment subdivision within rural zone and land use for dwelling within landscape area and on undersized allotment. | 1516 SH1 | Withdrawn by applicant |
| 7. | 1848 | Kaikōura District Council | Wakatu Quay redevelopment, non-compliance with Noise and Parking | Wakatu Quay | Withdrawn by applicant – new application submitted see 1906 |
| 8. | 1866 | Jason Ruawai | Two lot rural subdivision below controlled allotment size | 95 Green Lane | Granted Proceed in house |
| 9. | 1870 | Mark Baxter | Outdoor Dinning Area – Temporary Activity | 21 West End | On hold by the applicant - Limited notification has closed, a submission has been received from the neighbour, plans are to be amended and neighbour has said they will give approval Processed in house |
| 10. | 1887 & 1888 | John Leeder | Subdivision and land use creation of 8 lots ranging in size from 418m ² to 1089m ² from 3 existing lots | 154A to 162 Beach Road | Active Being processed in house |
| 11. | 1889 | Kaikōura District Council | Earthworks in flood hazard area for Clarence/Waiatua Bridge | Road reserve | Deferred Being processed by Resource Management Group |
| 12. | 1892 | Anthony Lund | Build a three bedroom dwelling with attached garage that intrudes the recession planes on north, East and West boundary of the property | 148 South Bay Parade | Deferred Being processed by LMC |

| | | | | | |
|-----|------|------------------------------|---|---|---|
| 13. | 1893 | Woofbrook Residential Ltd | Subdivision of proposed townhouses | 17 Yarmouth Street (Corner Yarmouth and Torquay Streets) | Deferred – Draft conditions with applicant Being processed by Resource Management Group |
| 14. | 1894 | South Pacific Helicopter Ltd | Signs Permit | | |
| 15. | 1895 | Viatcheslav Meyn | To create 13 fee simple allotments including one access allotment and one balance allotment | 427-671 Inland Road Kaikōura | Deferred at the applicant's request, lot size and shape may change. Being processed in house |
| 16. | 1897 | MainPower LTD | S139 Application Digging/excavate for the installation of a new foundation chamber (not within mapped archeological area) | Yarmouth St | Granted Processed in house |
| 17. | 1898 | Paul Keung | To subdivide one allotment to create two freehold allotments | 114 Beach Road | Granted Processed in house |
| 18. | 1900 | Hayden Clavis | Extension for an existing dwelling | 2771 SH1 | Granted Processed in house |
| 19. | 1901 | Steward McConchie | Subdivision to create allotment for recently relocated dwelling | 39 Waitane Road | Granted Processed in house |
| 20. | 1904 | Trevor Smith | Earthworks within an Archaeological Area | 15 Avoca Street | Granted Processed by RMG |
| 21. | 1905 | Kastuti McGovern | Visitors Accommodation for 6 people | 20A Kanuka Lane | Granted Processed by PLANZ |
| 22. | 1906 | Kaikōura District Council | Wakatu Quay redevelopment, non-compliance with Parking | Wakatu Quay | Active Being processed by Planz |

| | | | | | |
|-----|------|------------------|---|-------------------------|--|
| 23. | 1907 | Melissa Cuff | Signs permit | 17 Beach Road | Active Being processed in house |
| 24. | 1908 | Moanna Farms Ltd | Earthworks within landscape area | 20 Moana Road | Deferred – awaiting payment |
| 25. | 1909 | Donegal House | Camping Ground | 436-450 Mt Fyffe Rd | Withdrawn – existing consent for motorcaravans |
| 26. | 1910 | Robert Dow | Land use Height, recession plane and internal setback | 101A South Bay | Active Being processed in house |
| 27. | 1911 | GCH Aviation Ltd | Signs Permit | 617-627 State Highway 1 | Deferred – awaiting payment |

2. Notified consents

Currently three notified or limited notified consents are in progress:

- I. No change since last month - Mark Baxter is proposed an Outdoor Dining Area which will result in a gate being placed over an existing ROW (Right of Way), Mr Baxter has been unable to obtain approval from the holder of the ROW and limited notification has occurred, a submission has been received from the neighbour. Neighbours have agreed to withdraw the submission and give written approval provided the application is amended to separate the dining area from the ROW. Application has been placed on hold at applicants request, physical works are occurring to address the neighbours concerns.

3. Plan Changes

Currently no plan changes are notified

4. Monitoring

In addition to day to day complaints and questions council staff are developing a consent monitoring strategy and working with Jo York (Regulator Team Leader) regarding visitors accommodation and non-compliance with planning issues.

5. Road Stopping

Active road stoppings:

Fookes – Hapuku Road – survey plan matters have been resolved with LINZ and now Council staff must review the file.

6. General

- Project Information memorandum processing is ongoing
- Land Information Memorandum processing is ongoing

| | | |
|---------------------------|---|---------------|
| Report to: | Council | File # |
| Date: | 26 July 2023 | |
| Subject: | Building and Regulatory Update | |
| Prepared by: | D Clibbery – Senior Manager Operations | |
| Input sought from: | York – Regulatory Team Leader F Buchanan – Regulatory Administration Officer | |
| Authorised by: | W Doughty – Chief Executive Officer | |

1. SUMMARY

This is a routine report on recent activity in the BCA and regulatory areas of Council.

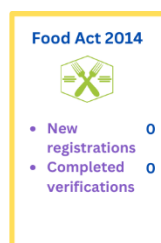
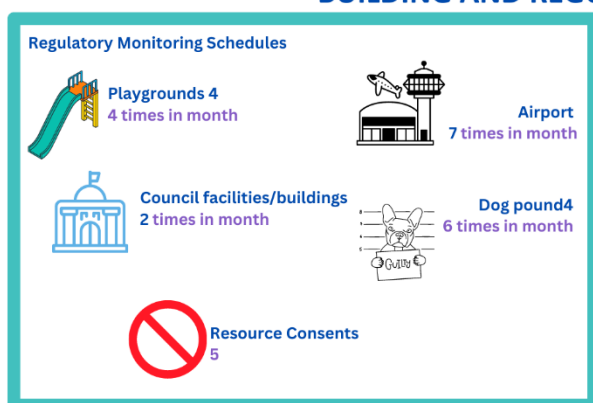
2. RECOMMENDATION

That the Council receives the report.

3. STATISTICS

The following apply for the period from 19th June – 19th July 2023

BUILDING AND REGULATORY STATS



4. BUILDING CONTROL

Statistics not available at time of preparing this report.

5. OTHER REGULATORY

Food Act 2014

The newest version of the Simply Safe and Suitable template Food Control Plan has been released. Food operators must update their FCP to the new version by replacing the following cards by 30 June 2023: Separating food, knowing what's in your food, packaging and labelling, recalling your food. They only need the below cards if they are relevant to their business:

- Managing self-supply water, using acid to control bugs, making sushi, hot smoking to control bugs.
- They have until 20th February 2024 to start using the full version of the updated Food Control Plan.

New Registrations – 0

Completed Verifications – 0

Water Safety

- Routine three-waters monitoring for compliance with Taumata Arowai DWQARs (Drinking Water Quality Assurances Rules)
- Routine drinking-water data oversight and laboratory correspondence
- Liaison with Water Outlook for updates to field app and sample sites.

Health Act 1956

Health Act Inspection due to start end of November 2023.

Regulatory Services and Parking and Freedom Camping

The focus for the regulatory team for the next month;

- Freedom Camping Surveys ongoing
- Parking monitoring in West End and township, ongoing
- Existing swimming pools identified 47 up from 23
- Dog registration increase in advertising reminders as the month progresses

Including radio ads, Kaikōura star, social media, and posters, with reminders and text reminders being sent later this month

- Dog Control officers will be hand delivering notices week of 24th July to increase a visual presence

Parking Meters

It has been identified that the current machines are unreliable and not easy to use. The south bay one has been in operable for over a month which has meant a loss of revenue.

Yearly income from all three machines for the last financial year is:

\$59,458.51

This is with the machines not working consistently.

The cost of new machines is:

\$27,593.10

More details on functions and quote can be provided if required

It is proposed to purchase three new machines to be installed prior to the Summer season 2023

Regulatory Monitoring Schedules June-July 2023

| Area | Checked last month |
|---------------|--------------------|
| Playgrounds | |
| • Gooches | 4 |
| • Deal St | 4 |
| • Beach Rd | 4 |
| • South Bay | 4 |
| Airport | 7 |
| Memorial Hall | 2 |
| Dog Pound | 6 |

| | |
|-------------------------|---|
| Illegal building | 4 |
| Resource Consent issues | 5 |

6. COMMUNITY OUTCOMES SUPPORTED

The work is in support of all/the following community outcomes.



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| | |
|---------------------------|--|
| Report to: | Council Meeting |
| Date: | 26 July 2023 |
| Subject: | Destination Kaikōura Quarterly Update Report |
| Prepared by: | L Bond – Destination Manager |
| Input sought from: | |
| Authorised by: | W Doughty – Chief Executive Officer |

1. EXECUTIVE SUMMARY

Report for the period January 2023 to June 2023

2. RECOMMENDATION

It is recommended that the Council receives this report for information.

3. UPDATE

JANUARY:

OPERATOR VISITS

Each month I try to take time to visit with a few operators to see how they are doing, if there is anyway, I can assist them and answer any questions they may have. In Jan I visited:

- Kiwi Eco Cabins
- Seaward Pottery Accommodation
- Clifftop Cabins

CRUISE SHIPS

Hosted the 4 cruise ships that tendered during January, huge thank you to Sarah Wright and Mayor Craig Mackle for your assistance.

ALPINE PACIFIC TOURING ROUTE WEBSITE UPGRADE

Worked with the APT's Digital Content Company – Time Zone One to upgrade the APT website. Refresh content, imagery plus upgrade the Silver Stripe platform. www.alpinepacific.nz

HELLO WORLD FAMIL PLANNING

Began planning for the Hello World Famil that would take agents around the Alpine Pacific Touring Route after their annual conference at Te Par in Christchurch.

CENTRAL SOUTH ISLAND MEETING

Collaboration between CHCNZ, MacKenzie, Timaru, Hurunui, West Coast and Kaikōura. Preparation for a Regional Showcase in AKL to invited ITO's (Inbound Tour Companies). CHC International Airport also taking part in this collaboration.

REGIONAL EVENTS FUND (REF) – meeting with event organisers around funding opportunities

Regional Events Fund is designed to stimulate domestic tourism and travel between regions through holding events. This is intended to support the tourism and events sector and replace some of the spending from international tourists due to the border closure because of COVID-19.

TOPS OF THE SOUTH TOURING ROUTE (TOTS)

Development and planning (on going with bi-weekly meetings)

TRENZ 2023 PLANNING

Start to organise booth design for the Destination Kaikōura Regional stand which includes booths for DK + Encounter Kaikōura, Kaikōura Kayaks, South Pacific Helicopters and Whale Watch Kaikōura.

TE KOROWAI HUI, DARK SKIES & KITI BOARD MEETING

Attend the monthly meetings.

FEBRUARY:

CRUISE SHIPS

Hosted the 2 cruise ships that tendered during February, huge thank you to Sarah Wright and Mayor Craig Mackle for your assistance.



OPERATOR VISITS

Feb I visited:

- Shearwater Apartments
- Bernie's Diner
- Hapuku Lodge & Treehouses
- Lavendyl Lavender Farm

CENTRAL SOUTH ISLAND MEETING

Collaboration between CHCNZ, MacKenzie, Timaru, Hurunui, West Coast and Kaikōura. Preparation for a Regional Showcase in AKL to invited ITO's (Inbound Tour Companies). CHC International Airport also taking part in this collaboration.

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ALPINE PACIFIC TOURING ROUTE QUARTERLY MEETING

Each quarter the APT Committee meets in one of the 3 regions to go over marketing planning, any trade work we want to partake in, budget etc... This time round it was Hanmer Springs turn to host this meeting. There are 3 representatives from Kaikōura on this committee – myself, Lynette and now Geraldine.

AUTUMN CAMPAIGN PREPARATION

Meetings with our Digital Management Provider – Maverick Digital + AVIA (online vouchers) + Kidspot + local operators preparing artwork, digital capability and deals on offer throughout the 8-week campaign period.

TOPS OF THE SOUTH TOURING ROUTE (TOTS)

Development and planning (on going with bi-weekly meetings)

CONTINUED PLANNING FOR TRENZ 2023 (CHC) + MEETINGS 2023 (WLG)

Both of these industry showcases are big events on the tourism calendar. This will be Destination Kaikōura's second time attending MEETINGS as we start to move into the Conference, Incentive & Events space.

TE KOROWAI HUI, DARK SKIES & KITI BOARD MEETING

Attend the monthly meetings.

MARCH:

CRUISE SHIPS

Hosted the last cruise ships of the season. We ended up with 13 successful cruise days out of the 16 scheduled.

KAIKŌURA DATA DASHBOARD

Working with Christchurch NZ we now can access Kaikōura monthly data Research into the Kaikōura Visitor Trends Dashboard, Visitor Trend Reports and Triptech Reports. Click here [Kaikōura Dashboard](#)

SARAH-KATE LYNCH

Met with Sarah-Kate in planning for filming Friends Like Her in Kaikōura during May

AUTUMN CAMPAIGN GO LIVE

Both our digital campaign with Maverick + AVIA and Kidspot went live

Maverick [Campaign Report](#)

Kidpot [Campaign Report](#)

SUDIMA INBOUND TOUR OPERATOR FAMIL

Worked closely with the Sudima team in organising 25 top IBO agents to visit Kaikōura for a famil in April. Targeting the company owners or their product managers (decision makers).

IBO EVENT IN AUCKLAND

Attended the annual RTO (Regional Tourism Organisation) & IBO (Inbound Tour Operator) Hui. This is a good time to provide key industry partners on a regional update.

RTNZ EVENT IN AUCKLAND

This event piggy backed off the above event. A time for all Regional Tourism Organisations to be together and discuss regional updates, what is working, what is not etc...

GRAND PACIFIC TOURS MEETING

Met with Peter Harding, the owner of Grand Pacific Tours who now has two different bus tour itineraries coming into Kaikōura, GPT used to be just a day visit to Kaikōura but now with the Sudima we feature in two overnight stays.

MOGEN JOHANSEN FAMIL

Organise Mogen's visit to Kaikōura, a travel writer for an Australian publication.

TOPS OF THE SOUTH TOURING ROUTE (TOTS)

Development and planning (on going with bi-weekly meetings)

TE KOROWAI HUI, DARK SKIES & KITI BOARD MEETING

Attend the monthly meetings.

APRIL:

TNZ LIVESTREAM – CHINA

Worked with Tourism New Zealand in running a 3 hour live stream to the Chinese market. 3 operators were chosen for this opportunity – Top Catch Fishing Charters, Hapuku Kitchen, and Llama Trekking.



| Channels | Impression | Livestream viewership | New Followers |
|-----------------|------------------|-----------------------|---------------|
| WeChat Channels | 826,623 | 6,276 | 207 |
| Douyin | 2,011,365 | 55,000 | 997 |
| Mafengwo | 3,230,827 | 62,972 | NA |
| Total | 6,068,815 | 124,248 | 1,204 |

FILMING WITH ROADY FOR THE ALPINE PACIFIC TOURING ROUTE

The 3 regions that make up the APT – ChristchurchNZ, Visit Hurunui and Destination Kaikōura contracted Roady to film the various hiking and biking tracks we have around the APT. This was a 7-day film shoot that created some great assets to be used at trade events, on our social channels, and website.

Part of the contract was to feature all over their heavily followed social platforms – results were fantastic:

Instagram Stories

We posted 37 stories that reached an average of 3800 views on each.

Instagram Posts

- The spend a morning in Kaikōura reel reached 23,323 people with 630 likes, 88 shares & 126 saves
- The Tiromoana Bush walk reel reached 53,827 people with 1941 likes, 407 shares & 1048 saves
- The Captain Thomas Track reel reached 44,871 people with 1042 likes, 191 shares & 441 saves
- The 5 walks/bikes in Kaikōura reel reached 22,334 people with 583 likes, 76 shares & 154 saves
- The Waipara Valley Vineyard reel reached 17,949 people with 306 likes, 66 shares & 131 saves
- The 3 bikes in Chch reel reached 31,368 people with 700 likes, 118 shares & 192 saves
- The 10 APT walks/bikes reel reached 19,393 people with 402 likes, 68 shares & 234 saves

Total reach for APT campaign on IG = 213,065 people with 5604 likes, 1014 shares & 2326 saves

Tiktok Posts

They posted 8 Tiktoks which got a total of 136,545 views with 3721 saves & 1154 shares

TRENZ 2023 + MEETINGS 2023

Organise appointment stream + finalise booth design for both events.

INDUSTRY CAPABILITY WORKSHOP

Organise a ‘working with trade 101’ workshop for operators in the activity + accommodation space.

MAY:

LAUREN QUAINANCE – SYDNEY HERALD

Worked with the team from ChristchurchNZ in bringing Lauren to Kaikōura to do a feature for the Sydney Herald. Stayed at the Sudima, swam with the dolphins and landed on top of Mt Fyffe. She loved her time in Kaikōura.

ATTENDED TRENZ AT TE PAE IN CHC

TRENZ is the biggest tourism trade event on New Zealand's calendar, where industry leaders and representatives gather in person to showcase their products and services to high-quality international and New Zealand travel I had 52 appointments over 3 days with product managers from NZ, Australia, Canada, Japan, South Korea, America, Denmark, UK, Germany and Israel. Very successful event with great interest in Kaikōura, especially now that we have a hotel that can accommodate groups.



RTO – TNZ TRADE HUI

Attended a trade day in AKL with all RTO's and the TNZ team. Great opportunity to update them on what is happening in Kaikōura.

TNZ NORTH AMERICA PRODUCT MANAGERS FAMIL

Hosted 9 product managers from North America who were in region for 2 days post TRENZ.

APT PRODUCT MANAGERS FAMIL

Hosted 11 product managers from NZ, Aus, North America, and India who were in region for 2 days post TRENZ.

OHIO STATE UNI TALK

Met with students from Ohio State University and did a presentation on all things Kaikōura, particularly in the responsible tourism space.

PRO GUIDES ANNUAL CONFERENCE

Was guest speaker at the Pro Guides Annual Conference in Kaikōura. Great opportunity to update these guides from all around New Zealand on what there is to see and do in Kaikōura.

DESTINATION MARLBOROUGH

Had the team from Destination Marlborough visits, we meet bi-monthly and alternate regions. This is part of regions working closer together in collaboration.

FRIENDS LIKE HER

Assisted the production team from Friends Like Her as and when needed during filming in Kaikōura.

DARK SKY EXPO

Helped with the planning plus attended the Kaikōura Dark Sky Expo. Fantastic event to bring the community on the dark sky journey.

JUNE:

FLY BROTHER TV

Working with Kiwi Rail and Destination Marlborough in planning a collaborative filming opportunity on the Coastal Pacific Train journey with North America travel show – Fly Brother

UNIVERSITY OF GEORGIA – 2 GROUPS

Met with students from University of Georgia and did a presentation on all things Kaikōura, particularly in the responsible tourism space.

TNZ 6 MONTHLY CHECK IN

Each RTO has a check in with TNZ every 6 months. An opportunity to go over all that is new in region, time for Q & A. There were about 20 TNZ staff on the zoom call.

GOWAY NORTH AMERICA FAMIL

Hosted product managers from Goway North America office who were in region for 2 days.



SUDIMA STAFF TRAINING

Spoke at the quarterly Sudima all staff meeting. Able to update them on all that is happening in Kaikōura. Great opportunity with very good questions and feedback.

OPERATOR VISITS

- Seal Kayak Kaikōura
- Alpine View Motel

ATTENDED MEETINGS 2023 AT TAKINA IN WLG

MEETINGS is the only national tradeshow in New Zealand for the Business Events industry, bringing together buyers and sellers of conference and incentive travel products, to grow mutual business opportunities and share knowledge and ideas.

We had 26 appointments over 2 days. This is a new space we are developing, now that we have a hotel with great conference facilities. Since Meetings we have had around 4 incentive group inquiries ranging in group size from 20 – 85 people.



TE UNGA MAI HUI

Attended the Te Unga Mai professional development hui. This is the third Te Unga Mai Hui run through RTNZ (Regional Tourism New Zealand). All RTO's were represented with a big focus this time on Climate Change, Regenerative Tourism and implementation of our DMP's (Destination Management Plans).

CENTRAL SOUTH ISLAND SHOWCASE

Working with CHCNZ, Hurunui Tourism, Mackenzie Tourism, Development West Coast, Visit Timaru and Selwyn on a regional showcase in AKL. We have 5 local operators attending with 45 operators total at the showcase. There are around 150 travel agents coming along to this showcase to learn about what the Central South Island has to offer. CHC International Airport is also supporting this event.

TNZ STAFF FAMIL

Finalise the itinerary for the Tourism New Zealand staff famil. 20 staff will be in region for 3 days, 2 nights.

FOCUS OVER THE NEXT 3 MONTHS

- Attend the Central South Island Showcase
- Attend the Annual Cruise Conference + Annual TECNZ Conference
- Attend the Kaikōura Showcase Event in CHC being organised by the Sudima Hotel Group
- Work with Roady NZ to develop assets & video footage in partnership with Destination Marlborough.
- Organise operator workshops.
 - Astro Tourism
 - Social Media & Digital Storytelling
- Cruise Season 2023-24

4. COMMUNITY OUTCOMES SUPPORTED



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| | |
|---------------------------|---|
| Report to: | Council Meeting |
| Date: | 26 July 2023 |
| Subject: | Discretionary Grants Fund – Progress / Completion Reports |
| Prepared by: | W Doughty – Chief Executive Officer |
| Input sought from: | B Makin – Executive Officer |
| Authorised by: | W Doughty – Chief Executive Officer |

1. EXECUTIVE SUMMARY

To receive progress and completion reports from organisations whose projects had received funding through the Discretionary Grants Fund (the “Fund”). The funding had been approved pre the 2022 Triennial Elections on 28th September 2022.

Progress Reports Attached:

- Kaikōura Dark Sky Trust
- Kaikōura Red Cross Branch

2. RECOMMENDATION

It is recommended that the Council:

- Receives the progress reports for information.

3. BACKGROUND

Council had approved the discretionary grants process for the Fund at a meeting on 29th June 2022. A total of 16 applications were received and assessed by the Council on 28th September 2022. The Council resolved to support 10 of the applications, with either full or partial funding. Their decisions were based on whether the criteria was met by the organisations and if there were other opportunities to further fund those initiatives i.e. Better Off Funding.

The Council requested that as part of the commitment to the funding, that the 10 organisations provide a completion report and in the meantime, quarterly progress reports to Council for the February, May and July 2023 meetings.

The following organisations have submitted completion reports throughout the financial year 2022-2023:

- Takahanga Bowling Club
- The Kaikōura Education Trust – Te Hā o Mātauranga
- Kaikōura Croquet Club
- Kaikōura Wildlife Centre Trust
- Kaikōura Bowling Club

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| | |
|---------------------------|---|
| Report to: | Council |
| Date: | 26 July 2023 |
| Subject: | Discretionary Grants - Progress Report Kaikōura Dark Sky Trust |
| Prepared by: | Colette Doughty |
| Input sought from: | |
| Authorised by: | W Doughty – Chief Executive Officer |

1. EXECUTIVE SUMMARY

The purpose of this report is to provide an update on the progress following the funding to help towards the Dark Sky Sanctuary application work.

2. PROGRESS OVERVIEW

OVER THE PAST TWO MONTHS WE HAVE BEEN PRIMARILY WORKING ON THE FOLLOWING AREAS:

- 2.1 PRIVATE PLAN CHANGE** – working to budget and to timeframe. Draft provisions completed for the district plan changes and S32 report. Feedback has been given by IDA in America and now just waiting on the KDC planning team's feedback before going out to other stakeholders for comment.
- 2.2 LIGHTING INVENTORY** – completed 50% of the inventory.
- 2.3 DRAFT APPLICATION** – project plan and timeline completed. Draft Sanctuary application commenced.

3. FOCUS OVER THE NEXT 3 MONTHS

OVER THE NEXT 3 MONTHS WE ARE PRIMARILY WORKING ON THE FOLLOWING AREAS:

- 3.1 PRIVATE PLAN CHANGE** – continuing to work through the plan as per the timeframe. Potential delay due to KDC planning team work capacity.
- 3.2 LIGHTING INVENTORY** – completion of the inventory.
- 3.3 DRAFT APPLICATION** – working on the draft Sanctuary application. Aim to have the first draft completed by end of October 2023.

4. COMMUNITY OUTCOMES SUPPORTED



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| | | |
|--------------------|---------------------------------|--------|
| Report to: | Council | File # |
| Date: | 15th July 2023 | |
| Subject: | "The Crafty Place", - Red Cross | |
| Prepared by: | Marlene Ingram | |
| Input sought from: | | |
| Authorised by: | | |

1. **OVERVIEW** "The Crafty Place" has continued to fulfil a need in the Kaikoura community, as it is a place where groups can meet, on a regular basis. On Mondays & Thursdays, from 10 - 2 p.m., card makers, knitters and crochet folk meet. Quilters gather Wednesday mornings. Thursday evenings Embroiderers meet twice monthly, on a Tuesday.
2. **RECOMMENDATION** THAT the Council receives this report.

3. **INSERT HEADING** People with mobility issues, can park close by and walk up the ramp. The room has very good lighting. On sunny days, the sun streams in, through the large window and door. On the cooler days, there are heaters we can use. It has large tables, ideal for quilters, and comfortable chairs.

4. **INSERT HEADING** "The Crafty Place" is promoted through posters, on public noticeboards, as well as in the window of some businesses. It is mentioned in the K.D.C. monthly NewsLetter, as well as the "Welcome to Kaikoura" information booklet.

5. **FOCUS OVER THE NEXT 3 MONTHS** We will continue to provide the opportunity for people to learn new skills, such as crochet and knitting. It is an ideal place to share ideas and resources. People of all ages, are welcome to come. Visitors, to Kaikoura, are always welcome. We appreciate the support of the Kaikoura District Council, through the Discretionary Grant.



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SCANNED

